

World news Business summary

Britain to appeal over spy secrets

Britain gave notice of appeal against an Australian Supreme Court order to hand over top secret documents to a former MI5 agent's legal advisers who are fighting a legal battle to have his memoirs published. It will be heard today.

Pickens in bid for Diamond Shamrock

T. BOONE PICKENS, Texas oilman and corporate raider, returned to the takeover arena with an all-share offer for Diamond Shamrock, languishing Dallas integrated oil company which recently cut its dividend by more than half. Page 23

Exco seeks fraud probe at bond broking subsidiary

By DAVID LASCELLES AND CLIVE WOLMAN IN LONDON

EXCO International, the UK's largest money broking group, has called in the police to investigate dealing irregularities in one of its bond broking subsidiaries. The Exco announcement added fuel to the rumours on the London Stock Exchange of widening inquiries into illicit share dealings arising from the Government investigation into the conduct of Guinness, the brewing and spirits company, during its takeover battle for Distillers in the spring. Bank shares were the main victims of a day of sharp share price fluctuations.

Murdoch in A\$1.8bn move to buy media group

By Chris Starwell in Sydney

MR RUPERT Murdoch yesterday returned to the roots of his rapidly expanding international media network with a surprise A\$1.8bn (US\$1.1bn) takeover for Herald and Weekly Times, the Melbourne-based newspaper and broadcasting group.

Bush calls for full disclosure on Iran arms

BY LIONEL BARBER IN WASHINGTON

MR GEORGE BUSH, US Vice President, yesterday broke his public silence over the Iranian arms scandal, and acknowledged that mistake had been made by the Reagan Administration. He said that the affair had damaged US credibility before the American people.

French scorn vote

France said it would ignore Tuesday night's UN vote declaring its Pacific territory of New Caledonia subject to decolonisation procedures and said it would not allow UN observers to visit it.

Punjab calls in army

The Punjab government opened the way for deployment of the Indian Army in about half the state, its strongest move in two years to fight Sikh terrorism.

Sixths to hang

Three Sikhs convicted of killing Prime Minister Indira Gandhi in 1984 had their appeals rejected and were ordered to hang by High Court judges in New Delhi.

Danes 'bugged'

Denmark has found bugging devices hidden in the ceilings at its Warsaw embassy and will protest to Poland, Danish Foreign Minister Uffe Ellemann-Jensen announced in Copenhagen.

Threat to Paris court

Regis Schleicher, 28, one of three alleged Action Directe terrorists accused of the murder of two policemen, threatened reprisals against the judges and jury in a Paris court. He said: "All those sitting here will expose themselves to the rigours of proletarian justice".

Israeli get life

Three Israelis were jailed for life in Tel Aviv for murdering an Arab taxi driver in revenge for the killing of a Jewish taxi driver.

Mafia trial hitch

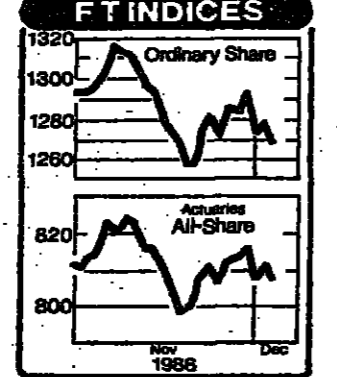
The judge conducting one of Sicily's mass Mafia trials at Messina has asked to stand down after a series of disputes with defence lawyers, putting the future of the hearing in jeopardy.

Ukrainians sacked

Five railway officials have lost their jobs and one of them was expelled from the Communist Party as a result of a train accident at the small Ukrainian station of Korystovka last month in which an undisclosed number of people were killed.

Too fat to adopt

An Australian couple in Sydney said they had been banned from adopting a baby because they are too fat. They added that the government told them they must lose weight first.



WALL STREET: The Dow Jones industrial average closed down 8.44 at 1,947.13. Page 44

TOKYO: Boistered by the overnight record on Wall Street buying enthusiasm strengthened to drive equities higher. The Nikkei average gained 284.09 to 18,456.06. Page 44

DOLLAR closed in New York at DM 1.9685; Sfr 1.8395; FF 6.4525; and Y161.975. It was unchanged at DM 1.9725 in London. It fell to Sfr 1.9415 (Sfr 1.9440) and FF 6.4575 (FF 6.4625), but improved to Y162.25 (Y162.00). On Bank of England figures the dollar's index rose to 110.0 from 109.9. Page 37

STERLING closed in New York at \$1.4335. It fell to \$1.4320 (\$1.4345) in London. It fell also to DM 2.8250 (DM 2.8300); FF 9.2475 (FF 9.2700); Sfr 2.3590 (Sfr 2.3575), but was unchanged at Y232.25. The pound's exchange rate index rose 0.1 to 67.9. Page 37

PRESIDENT of the World Bank Barber Conable has announced a major shake-up in the bank's top management and hinted at far-reaching economies. Page 5

INDONESIA will resort more to foreign borrowings rather than raise domestic funds to meet its spending commitments and ease the current recession, Central Bank governor Arifin Siregar said.

THE £5.6bn offer for sale of shares in British Gas was oversubscribed but the number of applications seems to have fallen embarrassingly short of expectations. Page 7

ALSTHOM, heavy engineering group controlled by France's nationalised Compagnie Generale d'Electricite, will take over at the beginning of next year the railway equipment business of Jeumont-Schneider, one of the main industrial subsidiaries of the private Schneider group and Alstom's main rival in the rail sector. Page 21

ROYAL Dutch/Shell, Anglo-Dutch oil group, and Gips-Brocades, Dutch biotechnology company, are considering the establishment of a 50-50 joint venture for making and selling fine chemicals and industrial enzymes. Page 21

LI KA-SHING, Hong Kong property tycoon, and companies under his control are to acquire a 52 per cent shareholding in Husky Oil of Calgary, one of Canada's leading integrated energy producers. Page 21

CREDIT LYONNAIS launched a FF 1.5bn (\$240m) perpetual floating rate loan on the French domestic market. The move aims to build up the group's capital resources in readiness for privatisation and for the new regime of banking reserve ratios which will be applied in France from January 1. Page 21

Bonn draws up tougher chemical pollution laws

By DAVID MARSH IN BONN

THE West German Government is to tighten environmental laws covering the chemicals industry in an attempt to dampen public concern over the recent wave of pollution incidents in the Rhine. Mr Walter Wallmann, the Environment Minister, announced the measures yesterday after approval at the weekly Cabinet meeting.

Table with 3 columns: Date, Company, Chemicals released. Includes BASF, Hoechst, and Sandoz.

The list of dangerous substances covered by the country's already extensive environmental regulations is to be widened. Additionally, requirements for companies to report pollution incidents to the authorities will be tightened.

Price falls halt trade in floating rate notes

By CLARE PEARSON IN LONDON

THE EUROBOND market was yesterday grappling with one of the most severe crises in its 20-year history as steep price falls in floating rate notes (FRNs) prompted many dealers temporarily to suspend trading.

Deutsche Bank to pay \$603m for BankAmerica's Italian unit

By ALAN FRIEDMAN IN MILAN

DEUTSCHE BANK, West Germany's biggest banking group, has agreed to pay \$603m to acquire 98.3 per cent of Banca d'America e d'Italia (BAI), the profitable Italian subsidiary of Bank of America.

AIR FRANCE advertisement listing routes: AIR PARIS, AIR LILLE, AIR NANTES, AIR STRASBOURG, AIR BORDEAUX, AIR LYONS, AIR TOULOUSE, AIR MONTPELLIER, AIR MARSEILLES, AIR NICE. Includes slogan 'TAKE A DEEP BREATH.'

CONTENTS table listing various articles and their page numbers, including Europe, America, Overseas, World Trade, Britain, Agriculture, Arts, Law, Commodities, Crossword, Currencies, Soviet Union, EEC, Technology, Editorial comment, and Economic Viewpoint.

EUROPEAN NEWS

Patrick Cockburn visits a city vital to Gorbachev's economic reforms Volgograd in the front line once more

"THE OLDER people would like to go back to calling the city Stalingrad, but the young are happy to call it by its new name," said a woman in Volgograd, the city which was the site of the battle which marked the turning point of the Second World War on the eastern front.

Volgograd, its name changed by Nikita Khrushchev, now has a population of almost 1m and stretches 45 miles along the right bank of the Volga River, more than half a mile wide at this point. Tank turrets mark the former front line, at places only 200 yards from the Volga, where the Soviet troops managed to cling on to their positions against repeated German attacks in 1942.

Few memorials

Otherwise there are surprisingly few memorials to the war, apart from a vast statue of a woman with drawn sword on top of the hill of Mamayev Kurgan where the fiercest fighting took place. The main department store, in the cellar of which Field Marshal Von Paulus, the German commander at Stalingrad, surrendered his force of 90,000 men in 1943, only has a simple plaque to commemorate the fact.

The old city of Stalingrad was entirely destroyed in the war. Its replacement is important because it is in industrial cities like Volgograd,

with dated but by no means archaic plant and equipment and a good infrastructure, that the fate of Mr Mikhail Gorbachev's efforts to restructure and update the Soviet economy will be decided over the next five years.

Regions of the Soviet Union like the Republic of Estonia in the Baltic or Georgia in the Caucasus, most often mentioned as being at the forefront of modernisation, are typical of the Soviet Union. Volgograd, at the centre of a region the size of Czechoslovakia and with a population of 2.5m, is a much better guide to developments in the Russian heartlands.

The city's industrial production comes mainly from its large tractor, steel, aluminium and chemical plants. Electric power is generated by the nearby hydroelectric power plant whose dam across the Volga marks the northern end of the city.

At the southern end of the city, overlooked by a vast statue of Lenin which has replaced one of Stalin, a canal links the Volga to the Don River to the west and to the so-called Donbass industrial region. The canal, scarcely large enough to take more than a big barge, is too narrow to bring the coal Volgograd needs to expand its aluminium and steel mills.

Mr V. I. Kalashnikov, the Communist Party leader for Volgograd, has pressed to get



to Volgograd. A fast tram system on which tickets cost three kopecks (3p) carries passengers underground to bypass the city centre and acts as a substitute for an underground railway. The cost of a car, as always in the USSR, is high at about roubles 7,000 (£7,000) but two makes, the Niva and the black Moskvitch can, unlike Moscow, be bought on two years' credit with a 30 per cent deposit.

Mr Kalashnikov, a former Minister of Irrigation in the Russian Republic, appointed Communist Party leader for the Volgograd region in 1984, called in a speech to the Communist Party Congress in Moscow in February this year for a better pricing system—in other words higher prices—to make farms profitable. Retail prices of basic foodstuffs—meat in a state shop costs roubles 1.90 a kg—have not been increased since 1982 while incomes have almost doubled.

More realistic retail prices would make it possible to narrow the gap between supply and demand and to abolish ration coupons and other forms of distribution. Mr Kalashnikov told the Congress, which meets every five years. He added that the present state procurement and retail price system prevented farms making a profit.

The transport system also appears more efficient than Moscow or cities of similar size

the huge central market where peasants come to sell their produce at high prices—a kilo of mandarin oranges from central Asia costs roubles 6—and bright orange booths were erected this spring for state and collective farms to sell the permitted 30 per cent of their vegetables and fruit direct to the customer.

Four prices

"We now have four different prices for goods: state, co-operative, state and collective farm and free market," said a shopper. The co-operative meat price, for instance, is roubles 3.50 (£3.50) compared with a state price of roubles 1.90 and a free market price of up to roubles 5. The tendency in Volgograd is for an increasing proportion of produce to be sold midway between state and free market prices.

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The sobering side is that, with so many structural adjustment programmes and limited funding, these programmes could be in jeopardy if they do not get the right amounts of assistance," he said.

Structural adjustment programmes have been a higher priority for the World Bank in recent years, but require considerable political courage, since they often run against entrenched economic interests. Many countries, for example, have allowed the prices paid to

Structural change programmes at risk in developing world

BY GEORGE GRAHAM IN PARIS

SENIOR AID officials from the Western industrialised nations have sounded a warning about the future of efforts to improve the economic structures of the developing world.

Structural adjustment programmes have now been started in 22 countries of sub-Saharan Africa, but officials meeting at the Development Assistance Committee of the Organisation for Economic Co-operation and Development in Paris this week said they could be in danger without additional funding.

Mr Joseph Wheeler, the committee chairman, said it was encouraging that so many countries had resolved to face up to the difficult political problems of changing their economic structures.

"The sobering side is that, with so many structural adjustment programmes and limited funding, these programmes could be in jeopardy if they do not get the right amounts of assistance," he said.

Structural adjustment programmes have been a higher priority for the World Bank in recent years, but require considerable political courage, since they often run against entrenched economic interests. Many countries, for example, have allowed the prices paid to

farmers for their crops to rise in the hope of encouraging increased production, although higher food prices may be politically unpopular.

Mr Wheeler said that there was a general recognition among the 18 donor countries that form the Development Assistance Committee that aid needed to be increased from its current level of around \$300bn (£21bn) a year. Two-thirds of the member countries intend to increase their aid levels, he said, with the largest increases in volume coming from Japan, France and Italy.

In the US, however, the 1987 budget appropriation for official development assistance has been cut by 4.4 per cent from this year's level. Mr Peter McPherson, administrator of the US Agency for International Development, said he hoped for a budget supplement early next year which would offset this cut.

Overall official aid levels from OECD members are expected to rise by 1.5 per cent next year, compared to 4 per cent a year over the past five years. The decline in aid from oil exporting countries, however, is expected to bottom out.

Hint of problems for Polish N-plans

By David Marsh in Bonn

A SENIOR Polish power engineer has warned that winning public acceptance for the country's ambitious nuclear energy programme will be "very difficult" following the Chernobyl reactor accident in the Soviet Union.

The frank admission came from Mr Miroslaw Duda, technical director of Energo-atom, the Polish power engineering design and study office.

Speaking at a nuclear energy conference in Cologne, Mr Duda underlined Poland's economic need to embark on a nuclear energy programme based on the Soviet-designed RBMK pressurised water reactors. Poland had to break away from its heavy dependence on coal for electricity generation, he said.

Mr Duda gave a rare public hint of the challenges posed by anti-nuclear public opinion in East bloc countries. The Polish Government's programme is based on building nearly 6,000 MW of nuclear capacity to be operational by the year 2000.

About 5,000 inhabitants of Bialystok in north-eastern Poland signed a petition during the summer against the building of the country's first nuclear plant. The pressurised water technology being used, however, is different from the Soviet RBMK graphite-moderated reactor at Chernobyl which exploded last April.

Mr Duda said the problems facing the Polish nuclear drive included limited cash and personnel resources, as well as the difficulty of winning public acceptance.

The 440 MW nuclear plant is under construction at Zarnowiec, which should eventually play host to four such reactors. The next plants planned to be built before the end of the century will be 1,000 MW Soviet reactors.

IMF opens talks in Belgrade

By Alexander Lebi and Margaret van Hattem in Belgrade

AN International Monetary Fund team began discussions with Yugoslav authorities this week within the framework of its six-month-old enhanced monitoring arrangement.

The Yugoslav side is optimistic about the outcome, believing that the proposed changes in economic policy next year, which are awaiting approval by parliament, will win IMF support. At the same time, senior Yugoslav officials concede that there is still some distance between them and the Fund, which earlier this year was very critical of government policies.

The Fund reserved its harshest criticism for the government's decision to raise negative real interest rates, which it viewed as "a reversal of the authorities' earlier undertakings" to move to positive real interest rates. It "strongly urged the authorities to reverse this decision" if there were to be any hope of reducing inflation.

The Government has proposed a new formula for interest rates based on producer price increases over the past six months. Under the stand-by agreement with the IMF which expired last May, the formula was based on retail price increases in the past two months plus estimated inflation in the next three months.

Yugoslav creditors will be closely watching the IMF verdict on this and other government efforts to deal with the country's economic crisis, including an inflation rate approaching 100 per cent, before deciding on the future of the rescheduling of Yugoslav debts.

Later this month, a World Bank team will also come to Belgrade to negotiate a new structural adjustment loan.

Athens refuses union demand on pay policy

By Andriana Terodisconou in Athens

THE GREEK economic authorities yesterday rejected a trade union demand for next year's tight incomes policy to be relaxed for those on low salaries, according to Mr Costas Simitis, the Economics Minister.

They were meeting in special council to review the stabilisation programme imposed by the Government for this year and 1987.

Mr Simitis said the authorities will continue to enforce the current incomes policy under which the Government watered down drastically the system of full wage indexation introduced five years ago, and imposed a freeze on all other pay increases.

He also released cash flow figures on the borrowing needs of the public sector. These endeavoured to show, against impressions created by accrual figures for 1986 released with the signing of next year's budget last week, that the Government will meet its target of reducing the FSBR this year by four percentage points relative to GDP.

EEC to take firm action against counterfeit goods

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission will publish within the next six months detailed rules on how customs authorities are to exercise their powers to seize and destroy counterfeit goods.

The broad outline of the customs regulation was agreed earlier this week at a meeting of Community trade ministers. EEC officials are now working on the practical details in time to come into force in January 1988.

The anti-counterfeit measures were among the most significant points in a package of 12 steps agreed at the meeting towards breaking down internal EEC trade barriers—a set of accords which have been greeted in Brussels as a coup for Britain as current EEC president.

EEC trademark holders will for the first time be permitted nearly instant redress against imported counterfeit goods. For a fee, which will be decided by individual member states, they will be able to apply to customs authorities to impound on sight imports into the EEC from non-member states of goods they suspect of infringing trademarks.

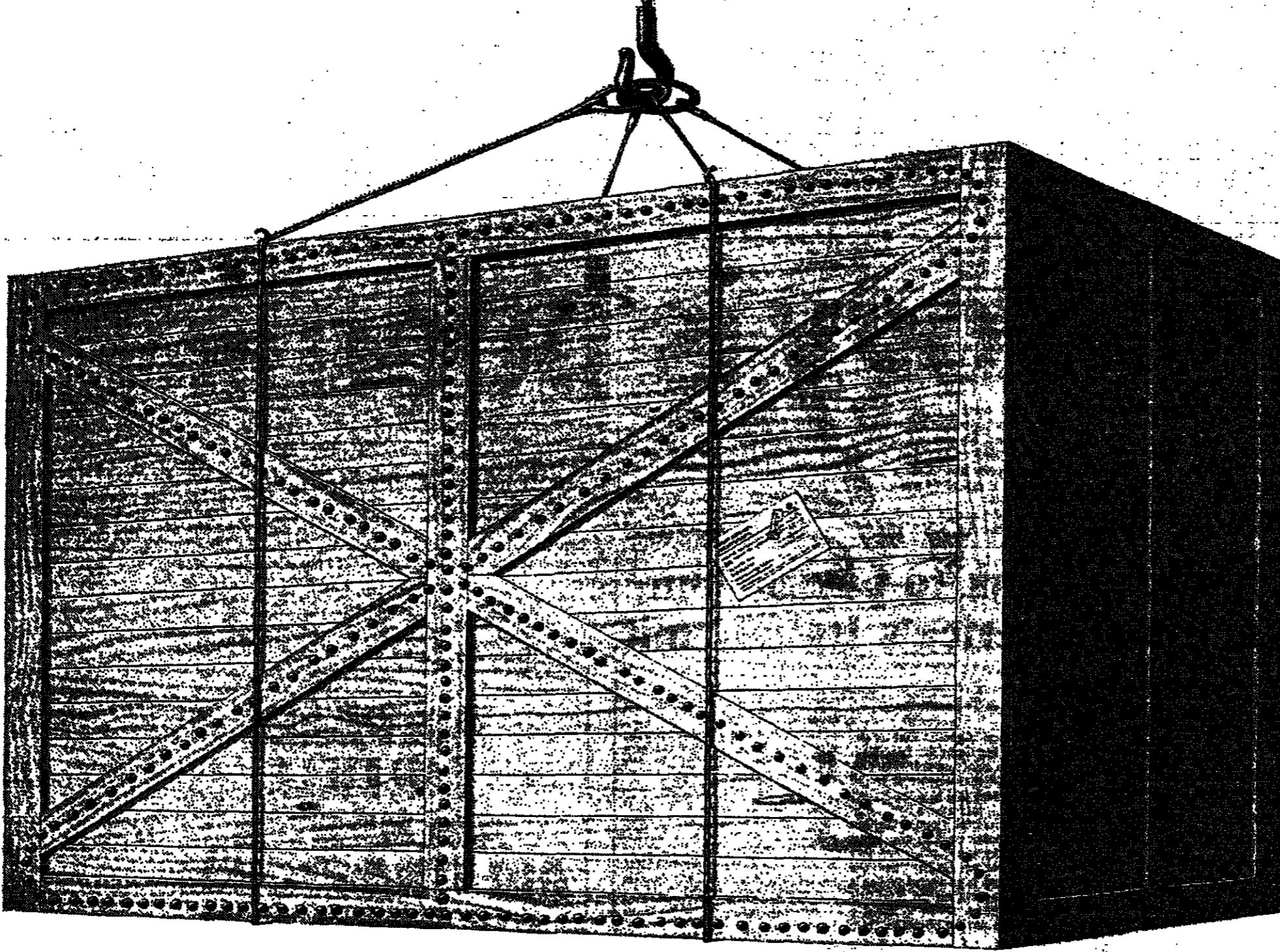
That right will only apply to imports at the point at which they enter the Community and to trademarks registered in the country of import. However, that restriction could be eased by the arrival of a European trademark, expected to be presented to EEC governments for agreement at the end of next year.

Once the goods are impounded, the aggrieved trade-

mark holder then has 10 days to prove his case under the new rules. If the consignment does prove to be counterfeit, customs then have the power to destroy the goods or dispose of them in a "non-discriminatory manner," which could include giving them away subject to the trademark owner's consent.

The new system promises to be faster and cheaper to operate than the present method of redress for Community trademark owners, which involves applying to national courts for injunctions against the sale of counterfeit goods. Its adoption will also add impetus to long-delayed attempts by the General Agreement on Tariffs and Trade for the wider application of similar controls.

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FINANCIAL TIMES
Published by The Financial Times (Europe) Ltd, Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.F. Palmer, London.
Printer: Frankfurt-Scelta-Druckerei-GmbH, Frankfurt/Main.
Responsible editor: R.A. Harper, Frankfurt/Main.
54, 6000 Frankfurt am Main, 1-0 The Financial Times Ltd, 1986.
1986-87, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 50th Street, New York, N.Y. 10022.

EUROPEAN NEWS

COMMISSION PRESIDENT MAKES PRE-SUMMIT APPEAL

Delors urges action on three fronts

BY QUENTIN PEEL IN BRUSSELS

EEC HEADS of government were urged yesterday to take action on three economic fronts when they meet for their latest summit in London tomorrow. Mr Jacques Delors, president of the European Commission yesterday called for renewed backing on three fronts: scrap barriers to internal trade; an end to "horse trading" over cash for future EEC research programmes; an unemployment action plan which involved dialogue with unions as well as deregulation and wage restraint.

"Things are not ready yet," he said. "To present papers (on these subjects) without careful preparation would risk triggering off a crisis which would mean the whole European edifice would fall. We just did not have the right conditions." However, he urged a new impetus from the heads of government to speed action towards a frontier-free internal market by 1992. A Commission report on the subject says progress since the last summit in June has been disappointing, although Mr Delors welcomed the success of trade ministers on Monday in agreeing 12 new measures. The report says that finance ministers have "devoted little time to the question of removing fiscal barriers." They had not even discussed a Commission proposal for a standstill on indirect tax moves which

would aggravate current differences between national regimes. Mr Delors bitterly criticised the member states' debates on the Commission's ambitious Ecu 7.7bn (£5.6bn) plan for boosting research co-operation as "a horse trading exercise — some sort of bazaar that I cannot accept." The ministers who had discussed it simply swapped cash figures without considering the content of the programme, he said. The subject is not on the formal agenda, although the programme must be approved before the end of the year, and Britain, France and West Germany are determined to reduce its size and cost. On the unemployment plans to be debated in the summit, inspired by a British paper which concentrates largely on

the benefits of re-regulation and removing burdens from small businesses, Mr Delors said it was essential to include a balance. He would not comment directly on the refusal of Mrs Margaret Thatcher, the British Prime Minister, to see a union delegation in advance of the summit but insisted that union views on stimulating investment and spending on infrastructure must be taken into account. The European Parliament's budget committee yesterday issued an urgent appeal to the heads of government to order their agriculture ministers to settle outstanding plans to reform the beef and dairy markets. The ministers meet next week to consider the plans in the immediate aftermath of the summit.

Coalition's problems grow in Dublin

By Hugh Carnegie in Dublin

A ROW with a backbencher and opposition to a new extradition bill have pushed Ireland's Fine Gael-Labour coalition, struggling to survive long enough to present a budget in January, further into difficulties. The bill, which Parliament begins debating today, would clear the way for Irish ratification of the European Convention on the Suppression of Terrorism. It has been heavily criticised for being premature while a counter system in Northern Ireland and Britain from where most extradition requests come. Dr Garrett Fitzgerald, the Prime Minister, said yesterday he was determined to press on into the new year and produce a budget, which he has signalled must include heavy spending cuts. But he acknowledged the vital Christmas adjournment vote, which is treated as a confidence vote, would be difficult to win. The Government's problems became more acute when Mrs Alice Glenn, an ultra-conservative Fine Gael parliamentary deputy, was sacked by her constituency party after she labelled "enemies of the people," all those who favoured a failed government move in June to introduce divorce in Ireland. She responded by saying she would vote against the coalition on extradition and would leave Fine Gael before Christmas, wiping out the Government's numerical majority in the Dail. The main opposition party, Fianna Fail, and the small Progressive Democrats in principle support the new extradition measures. But they will table amendments reflecting reservations about police methods and emergency courts in Northern Ireland, and about the cases of more than 13 Irish men and women convicted of bombings in England, in the 1970s. Aware of these difficulties, the Government deliberately wrote a clause into the bill delaying its start until next June, to give Britain time to move on the issue. But the bill's safe passage is still in doubt, and with Mrs Glenn's support gone, some politicians predict the Government will fall before the budget, with an election in January or February.

Brussels proposes extended deadline on radioactive food

BY TIM DICKSON IN BRUSSELS

THE EUROPEAN Commission yesterday proposed extending the present limits on radioactive contamination of food in the EEC until February 1988 — nearly two years after the Chernobyl nuclear plant accident in the Soviet Union. The rules were introduced after the Russian disaster to protect public health and to ensure free trade in food products throughout the Community. They have already been extended to the end of February next year. The Commission's proposals will not please the French, who have consistently argued that the present levels are too restrictive. The Commission, however, says that while the next agricultural crop is not expected to be significantly affected, there is still produce in community stores which may be contaminated above the current limits. Moreover, Eastern European suppliers will be selling deep frozen or preserved products which may be contaminated at least until the autumn 1987. The EEC Commission yesterday proposed a new legislation to minimise the risks of radioactive contamination in case of a nuclear accident, AP reports from Belgium. The EEC states themselves, the Commission said, store farm produce which exceeds the permissible radiation levels. To prevent trade in contaminated food in the aftermath of Chernobyl, the EEC set a maximum radiation limit at 600 becquerels per kilo for all foodstuffs except milk and infant food. For the latter products the limit was fixed at 370 becquerels. The Commission said it wanted a semi-automatic procedure to implement radiation controls on food after a future nuclear accident without long arguments between EEC countries as occurred after Chernobyl, Reuters reports from Brussels. It said that to establish these levels, it was "carrying out the most detailed analysis done anywhere in the world on the link between radioactive contamination and people's diet."

Hungary freezes wages until April

By Leslie Collitt in Berlin

THE ECONOMICALLY hard-pressed Hungarian Government has frozen basic wages until next April as a prelude to the introduction of new wage measures which are to link wages more closely with performance. The wage freeze is also designed to dampen inflation which is officially said to be 5 per cent but which is unofficially put at 10 per cent. Wage bonuses, however, are exempt from the wage freeze because they are allegedly more closely linked to productivity. Many Hungarians work their hardest at second jobs and moonlighting which are not covered by the freeze. The Hungarian Communist leadership has called a central committee meeting later this month in order to adopt a new programme to help overcome a serious economic downturn and to introduce new economic reform measures. Mr Janos Kadar, Hungary's leader, is expected to address the nation on December 20 in an apparent attempt to enlist popular support.

West German unemployment rises by 2%

THE NUMBER of registered unemployed in West Germany rose by 2 per cent last month for seasonal reasons, but fell 6.5 per cent from November 1985, according to official figures. The Government, which welcomed the figures as another sign of economic recovery, pointed out that last month's figure of 2.07m people out of work was 143,000 lower than a year ago. The unemployment rate worked out at 8.3 per cent in November compared with 8.1 per cent in October.

Maltese budget

The Maltese Government plans to step up public spending, keep a four-year wage freeze in force and improve social measures in a bid to spur the island's sluggish economy, writes Godfrey Grima in Valletta. This was announced as part of a ME261.5m (£498m) budget for next year.

French banks may delay cheque account charges

BY GEORGE GRAHAM IN PARIS

FRENCH BANKS are being forced to rethink plans to introduce charges on cheque-book accounts in the face of fierce opposition from consumers and mounting government irritation. The banks say they will improve their services to compensate for the charges, but several leading banks are now considering delaying them until next April, instead of January. The compensating measures are likely to include lower interest rates on loans to personal customers, while customers who keep high current account balances will be exempted from charges. Credit Lyonnais, for instance, expects to grant free banking to customers with balances around FFt 15,000. An option raised by the consumer groups is a three month trial in which bank customers are shown how much they would have been charged, in an effort to encourage them to write fewer cheques, and use more direct debits and payment cards. The Government has encouraged the process of "tarification" charging for banking services, but senior Finance Ministry officials have been increasingly irritated by what they see as the heavy-handed way in which the banks have approached the problem without consulting consumers. Both Mr Michel Camdessus, the Bank of France governor, and Mr Edouard Balladur, the Finance Minister, have recently urged the banks to respond quickly to the claims of the consumer associations. But the Government's own position has been split by a disagreement between Mr Balladur and Mr Gerard Longuet, Minister of Post and Telecommunications, over whether the Post Office savings bank network should join in the process of tariffication.

Action Directe trio go on trial for murder

By David Housego in Paris

THREE SUSPECTED terrorists from Action Directe — the French left-wing extremist group that has claimed responsibility for the killing of Mr Georges Besse, the chairman of Renault — went on trial in Paris yesterday accused of murders committed in 1983. Police put a heavy guard of more than 250 men around the courtroom in Paris where the hearing was taking place. Regis Schiebler, the most senior of the three, and believed to be a leader of the group, denied the court's power to try them. He, Claude Halfen and Nicolas Halfen are accused of killing two policemen in Paris in May 1983. Although they are alleged to have escaped after the murders, their identity is said to have been revealed by another Action Directe member who gave away their whereabouts having herself been denounced to police in anonymous letters. Action Directe has justified the killing in an internal memorandum which said that the terrorists' action was "legitimate" while that of the police was "legal."

Commission tightens steel quotas for first quarter

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission announced yesterday that most steel production quotas for Community producers are to be tightened for the first quarter of next year. The new level of output controls is a mark of the seriousness with which the Brussels authorities are to be considered by Europe's main steelmakers that their industry's state of health remains so fragile that EEC plans to scrap the present system of price and production regulations should be deferred until 1990. By setting tighter allowances, the Commission hopes to support prices, which are still weak despite a modest upturn in demand in recent months. The quota system is policed by the Commission and forms part of the EEC's plan to provide the industry with a cushion while it restructures its way out of recession, with the eventual aim of restoring a free market. Quotas on a range of products have already been relaxed so that the share of output subject to EEC control will have slipped from 85 per cent at the end of 1985 to 60 per cent by the turn of the year. A spokesman said yesterday that the new quotas were set at deliberately conservative levels because the industry had been building up stocks in recent quarters in anticipation of an upturn in sales that was emerging more slowly than expected. The weakness in oil prices in particular had hit demand from important oil exploration and extraction customers. But if the new limits prove too restrictive, the Commission has reserved the right to change them again early next February.

Table with 4 columns: Product, 2/86, 3/86, 4/86, 1/87. Rows include Hot-rolled coils, Uncoated sheet, Galvanised sheet, Quatro plate, Heavy sections, Wire rod, Merchant bar. Quota ended.

Source: European Commission

Turkey cracks down on fundamentalists

By David Bardard in Ankara

MORE THAN 20 people, including an official of the State Planning Organisation, the country's top planning authority, have been detained by police after a series of raids on Islamic fundamentalists. The raids follow months of growing anxiety among middle-class Turks at the steady rise of fundamentalist groups in the last three years. Last weekend, President Kenan Evren made a strong attack on fundamentalism. Turkey has been legally defined as a secular state since the 1920s, but the hold on power of the country's middle-class, backed by the military, has slowly come into question as fundamentalists have taken key roles in the administration. A state security court is expected to try a former official of the State Planning Organisation, Mr Iskender Evrenosoglu, for allegedly running a lodge of the Nakshibendi Dervish brotherhood on office premises. The Turkish press has given considerable publicity in recent weeks to alleged breaches of the law separating the state and religion. It has also warned that Dervish brotherhoods across the country are operating camps and indoctrination centres.

Biotechnology is booming in Wales. Is it something in the water? There are now 123 biotech research projects being conducted in Welsh Universities and 36 biotech companies in full operation in Wales. 5 of the companies have just won prestigious prizes in a Government-sponsored competition — the Small Firms Merit Awards (SMART). Their entries were distinguished by their excellence and novelty of proposal as well as their commercial potential. The reason for this success isn't to be found in Welsh water, sweet though it is. The reason is the back-up that biotech companies enjoy in Wales. They get support from the Universities. They get made-to-measure financial deals. They get buildings tailor-made for their kind of work, with plenty of room for expansion. They get a good environment to live in, as well as work in. If you think your biotech company should be where the action is, send off the coupon or dial 100 and ask for Freefone Wales.

I want to know about Wales. Name _____ Position _____ Company name _____ Address _____ Tel _____ Send to: Welsh Development Agency, PO Box 100, Greyfriars Road, Cardiff CF1 1WV. FT0212 12

Vertical text on the left margin: Hint of problems for Polish N-plans, Athens renews union demand on pay pols, firm action terfeit good.

OVERSEAS NEWS

Our correspondent reports on the spread of a fatal virus in Uganda

Aids claims a lakeside village

ON THE shores of Lake Victoria, close by the border with Tanzania, stands the Ugandan village of Lukunyu, once a thriving smuggling centre. Today it is dying of Aids.

The village's commercial decline began last year when the Government cracked down on smuggling. But as Lukunyu's transitory population of traders and "malaya", or prostitutes, moved away, either returning to their home villages or looking for work in the towns, they took with them the virus (Acquired Immune Deficiency Syndrome) which threatens millions of African lives.

Researchers estimate that about 15 per cent of Uganda's sexually active population - around a million people - could be Aids carriers. Lukunyu is one illustration of how the fatal disease is spreading.

The corrugated iron shacks of Lukunyu are set out haphazardly on grey, stony ground dotted with rubbish dumps and excrement. Lodging houses in the village are poky cubicles, makeshift brothels that the "malaya" could rent for the night and entertain their clients for the equivalent of a couple of US dollars. "It was almost impossible to sleep in a lodge without a woman," recalls one villager.

These conditions, combined with ignorance about the nature of Aids, have had terrible consequences for this village of some 1,500 people. In the past two years, according to Mr Ahmed Nsubuga, the local government chairman, 85 people have gone back to their home villages to die. Six more died in Lukunyu itself.

African witch-doctors are being enlisted in South Africa to help to fight Aids, the South African Institute of Medical Research said yesterday. Reuter reports from Johannesburg.

About 200 sangomas (witch-doctors), will meet institute officials on Friday.

The witch-doctors will be informed about the disease in South Africa in the hope that it will not reach the proportions it has in other black states, a spokesman said. South Africa has officially recorded 20 deaths from Aids but none of the victims was black, the spokesman said.

of what Ugandans call "slim", because of Aids' characteristic wasting symptoms.

Across the bay, in the scruffy port of Kasensero, a little smaller than Lukunyu, up to 100 people have died of "slim", leaving the residents traumatised. Further inland, the disease was also taking a terrible toll. One young man said that 80 of his schoolmates had died of the disease. At Kyebbe, in the lush green hills of Rakai district, old folk slipping locally-brewed beer told how they had each lost a young relative.

Although Rakai is the worst hit area of Uganda, it is clear that Aids has spread rapidly from the ports and lakeside villages of Lake Victoria to a rural population which is not notably promiscuous.

The disease was carried by traders and prostitutes moving around the country. In the unsettled economic conditions of Uganda in the early 1980s, nearly every small-scale farmer at some stage left his district and bartered coffee or other crops for goods available in the towns.

If they contracted the Aids virus through casual sex, they were likely to pass it on to their wives. A survey this year showed that in one district 71 per cent of spouses had caught the disease from infected partners.

Given Uganda's run-down health services, it is easy for any epidemic to gain a foothold. Government health facilities are virtually non-existent, and private clinics, often run by quacks or unscrupulous doctors, have proliferated.

"The doctors would never tell you that you are suffering from Aids," said Mr Joseph Lukera, a lawyer from south of Kampala. "They are more interested in selling drugs."

Medical records of patients with Aids symptoms are rarely passed on to Government health officials. Of a population of around 300,000 in the Rakai district, the registered number of Aids victims is 300 since 1984. The true figure is probably higher. A blood screening machine for the nearby Kitovu Mission Hospital has not yet arrived.

The Ugandan Government's response to the fact that about a million people in the country could be

Aids carriers was to boost its Aids budget from 1.5m Ugandan shillings to Ush 12m (\$882k) this year. To date, health authorities have noted 788 cases satisfying World Health Organisation criteria for diagnosing the disease, that is just 200 more cases than in Britain. The Health Ministry has printed special forms to encourage more accurate record-keeping.

In September, the Government launched an Aids prevention programme, sloganised "love carefully". This provided candid information on Aids, discouraged promiscuity, dispelled fears of infection through casual contact and promoted the use of condoms. The latter are free, but poorly distributed.

However, Aids is far from being Uganda's sole medical preoccupation. An estimated 1,000 people have died from the disease in Uganda so far. To put that into perspective, 40,000 children die of measles in the country every year.

Uganda has been notable among Central African countries for not trying to hide the Aids problem. Dr Samuel Okware, head of the national committee for the prevention of Aids, said, "We are not going to keep quiet about a disease that could be prevented through health education."

After a recent pan-African Aids conference held in Brazzaville, Congo, Dr Okware said he thought Uganda's Aids epidemic was no worse than its neighbours. "It's only that we've been more open," he said.

Pretoria detains 13 conscription opponents

By Anthony Robinson in Johannesburg

THE SOUTH AFRICAN Government yesterday detained 13 leaders of the End Conscription Campaign (ECC), an affiliate of the anti-apartheid umbrella organisation, the United Democratic Front.

The 13 were detained in late night and early morning police raids in Johannesburg and Cape Town. A further 12 ECC activists were issued with restriction orders, under terms of the June 12 state of emergency regulations.

The restriction orders effectively prevent the 12 from participating in the ECC's campaign to end forced conscription into the armed forces and get the army out of the townships, where it has been co-operating with the police on security duties over the last two years.

The ECC says more than 60 of its members have been detained in terms of the emergency although none has been charged.

The moves against the ECC follow the Government's decision on October 9 to declare the UDF an "affected organisation", so cutting it off from any form of foreign funding. The Government claims that the UDF is essentially a front for the banned African National Congress.

Mr Azhar Cachalia, national treasurer of the UDF, was also yesterday served with a restriction order.

Egypt ready to meet certain IMF conditions

By TONY WALKER IN CAIRO

EGYPT appears prepared to go a considerable way towards meeting IMF demands for economic reform in exchange for balance of payment support, although the two sides still remain some distance apart.

An IMF team, which returned to Washington last week from Cairo, was given a dossier which outlined proposed economic measures. Egyptian officials are predicting an agreement in the new year.

According to Egyptian and Western sources the proposed reforms indicate that Egypt is within reach of satisfying IMF conditions for an initial loan of about \$300m (\$200m).

Among the measures Egypt is reportedly prepared to adopt are:

- An increase in prices paid to farmers for certain staple items;
- A substantial increase paid by the public sector for fuel oil. Increases are also proposed in prices of kerosene and diesel, both of which are heavily subsidised.
- A liberalisation of interest rates, but with provision for protection of long-term public sector borrowers.
- Reforms of the multi-layered exchange rate, but at a slower pace than recommended by the IMF which would like to see a quick consolidation of the various rates and an effective float of the Egyptian pound;
- Greater encouragement to the private sector through more non-secured investment incentives, according to recommendations of the World Bank.

Egypt's apparent flexibility on an IMF reform programme comes despite strong public statements by Egyptian officials including President Hosni Mubarak decrying Fund pressures.

"We have limits we cannot exceed. We have a people with limited incomes and we cannot impose more burdens than necessary," Mr Mubarak told reporters this week.

"We have started an economic reform programme and I am not waiting for the (International Monetary Fund) ... I can never accept that the IMF comes and imposes on us more burdens than we can take."

Egypt's President will visit France next week, arguing the case for Western assistance. Mr Mubarak this week expressed irritation at US failure to grant interest rate relief on Egypt's large military debt of \$4.5bn.

US officials say that an agreement with Egypt is close which will provide a reduction in interest rates from the more than 12 per cent the Egyptians are now paying, down to the current market rate of about 7-8 per cent.

Japan rail union says members are victimised

By Carla Rapoport in Tokyo

JAPAN'S National Railways (JNR) management is victimising members of its largest union in an effort to undermine its power, according to the union's chairman.

Japan intends to privatise the heavily loss-making JNR next spring. But the railways' largest union, Kokuro, has been embarrassing the Government with its strong opposition to the sale. Union leaders claim that the privatisation would put thousands of its members permanently out of work.

"No doubt one of the main aims of breaking up JNR is to destroy our organisation," said Mr Satoshi Toppo, chairman of the National Railway Workers' Union in Japan (Kokuro), speaking in Tokyo yesterday. Since April, he said, thousands of Kokuro members have been assigned to "personal development centres," where they must make paperweights, clean toilets, pull weeds or do other menial chores.

Of the 18,510 workers now in the centres, more than 80 per cent are Kokuro members. Kokuro has been steadily losing membership over the last few months because of its relatively militant stance on privatisation. JNR's other main unions have accepted the government's plans and are operating with management. As of April this year, Kokuro had 20 per cent of total JNR workers; today it has 45.3 per cent.

Two-tier move by Cairo on unrest

By Tony Walker in Cairo

THE EGYPTIAN Government appears to have embarked on a two-tiered strategy to deal with the threat of social unrest and at the same time maintain credibility with Western beneficiaries.

The Government is engaging in a systematic crackdown on opposition groups, particularly those of the religious right, in what local observers see as preparation for a possible challenge to its authority should it press ahead with an IMF-backed austerity programme.

But in parallel, Egyptian leaders are reiterating a commitment to further liberalisation. The two approaches are not regarded as necessarily contradictory and may be part of a "good cop-bad cop" approach to Egypt's problems, Western officials say.

Apart of this strategy appears to be to divide the opposition by being tougher with one group - the religious right - than with the leftists who are seen as a useful cushion between Islamic fanatics and the centrist ruling National Democratic Party led by President Hosni Mubarak.

Major-General Zaki Badr, the controversial Interior Minister, is overseeing the security drive which has resulted in dozens of arrests in the past several weeks, many of them in Assiut which is a centre of Islamic agitation about 300km south of Cairo.

Egypt's opposition press has launched a ferocious campaign against the Interior Minister, accusing him of harassing dissident groups and authorising torture. The opposition has demanded his removal.

In the recent government reshuffle, Maj-Gen Badr, who is a career police officer, retained his portfolio and was elevated to the Shura Council - the upper house of the Egyptian Parliament.

A prominent leftist described the drive against the opposition as the product of a "Kleyn and Hyde" approach to present difficulties, while President Mubarak is proclaiming his commitment to further democratisation, his Interior Minister is engaged in a campaign against dissidents.

The Government has also launched a drive against the noisy opposition press, demanding greater responsibility in its reporting. Mr Mubarak appears genuinely perplexed by some of the highly imaginative stories that appear in opposition publications critical of the Government.

Egypt's President appears engaged in a delicate balancing exercise between excessive use of force and a reasonable latitude to opposition groups to express a point of view thereby providing a safety valve for frustrations.

Maj-Gen Badr is an essential player in this scenario and is almost certainly acting under the President's direction, according to local observers.

The authorities have arrested about 200 Moslems activists in Assiut since early October.

Radical clerics use these occasions to denounce the Government over its failure to implement Islamic Shariah law.

Riots among police conscripts in February this year in which luxury hotels were burned and several hundred young policemen were killed or injured were an ominous warning to the Government of the dangers of unrest at a time of economic hardship.

Bhopal burning

Survivors of India's Bhopal gas disaster yesterday burned effigies of Mr Warren Anderson, the retiring chairman of Union Carbide, to mark the second anniversary of the leak which engulfed the town in a cloud of toxic fumes in one of the world's worst accidents. Reuter writes from Bhopal. More than 2,000 gas victims held a torch-light procession outside the US company's pesticide plant that leaked the gas which is estimated to have resulted in the deaths of 2,352 people.

Afghan talks resume

Pakistan and Afghanistan will resume negotiations on an Afghan peace plan in Geneva on February 11, reports Mohammad Afiaz in Islamabad. Mr Diego Cordovez, the UN under-secretary general who has been overseeing the talks since 1982, said yesterday the negotiations could now enter a "decisive stage." The talks broke down in August over the question of the withdrawal of Soviet troops. Soviet forces invaded Afghanistan at the end of 1979 to protect the Communist Government there.

Nigerian air tickets

Nigeria, accusing foreign airlines of adopting an attitude of confrontation, has banned the sale of air tickets from today in any currency other than the Nigerian naira. Reuter reports from Lagos. The move was the first punitive action against 29 airlines which suspended sales in naira after the currency's value fell substantially with the September introduction of a weekly foreign hard currency auction.

Gorbachev for Korea

Mr Mikhail Gorbachev, the Soviet leader, is likely to visit North Korea next year to consolidate increasingly close ties between the countries, according to sources quoted yesterday by Reuter in Pyongyang, the North Korean capital. They said the visit, the first to Pyongyang by a top Soviet leader, would be in return for North Korean President Kim Il Sung's week-long trip to Moscow in October.

Seoul budget balance

South Korea's Parliament has approved a balanced national budget for 1987. Economic Planning Board officials told Reuter in Seoul. The budget envisages revenue and expenditure of about 15,600bn won (\$12.6bn) each, up 13.2 per cent from 1986 when the budget also was balanced. The total is about 22bn won less than the Government had proposed. Meanwhile, the country's November customs-clearance trade surplus fell to \$72m from \$719m in October and compared with a \$34m deficit in November 1985, preliminary Trade Ministry figures showed.

Taiwan dissident's vow

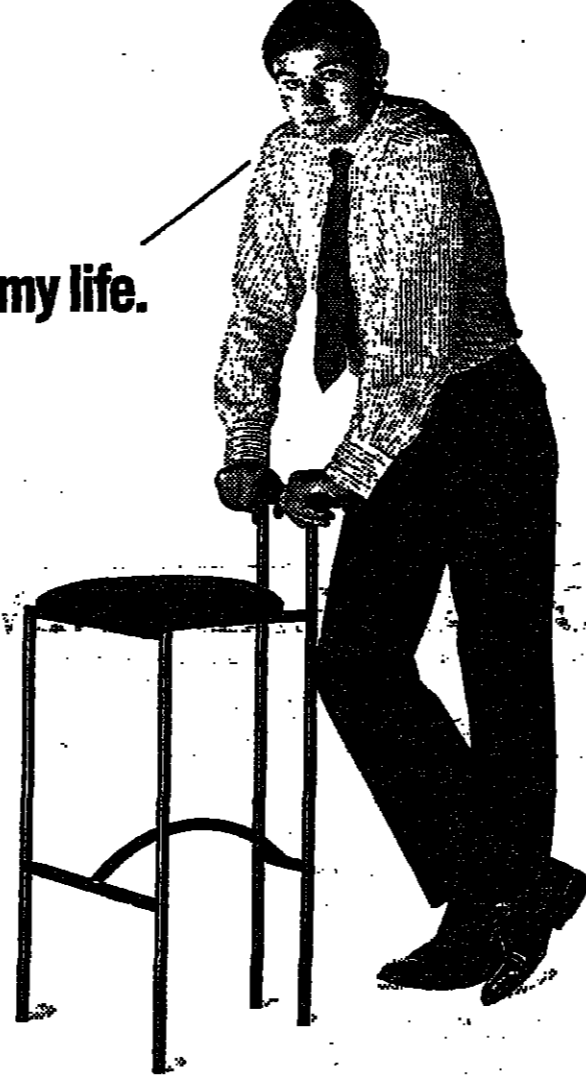
Hsu Shio-Liang, the Taiwanese dissident who was turned back at Taipei's airport when he tried to enter his homeland, arrived in Japan yesterday from the Philippines, where he vowed to "try every way" to return to Taiwan, AP reports from Tokyo.

NZ deficit widens

New Zealand's current account deficit in the three months ended in September widened to NZ\$742m (\$257m) from a revised NZ\$381m in the June quarter, according to Statistics Department figures reported by Reuter in Wellington. This compares with a revised NZ\$1bn deficit in the quarter a year earlier. New Zealand's October trade deficit fell to NZ\$4.9m from NZ\$24.4m in September and NZ\$162.8m in October 1985.

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MARTIN MARIETTA

AMERICAN NEWS

Conable changes management at World Bank

BY STEWART FLEMING, US EDITOR IN WASHINGTON

MR BARBER CONABLE, the former US politician who took over earlier this year as president of the World Bank, has announced a shake up in the bank's top management and hinted strongly that far-reaching economies in its operations are likely.

Sprinkel forecasts further expansion in US economy

MR BERYL SPRINKEL, President Ronald Reagan's chief economic adviser yesterday predicted that the US economy, entering its fifth year of expansion, would continue to grow in 1987.

Argentina bans import licences for UK goods

By Stephanie Gray

ARGENTINA has banned all import licences for British goods in retaliation against Britain's introduction of a 150-mile fisheries protection zone around the Falkland Islands at the end of October.

Bernard Simon reports on a bid by Canadian car workers for recognition

Union drives a hard bargain with Michelin

A CHARISMATIC Canadian labour leader has presented the French tyre maker Michelin with a severe test of its traditional aversion towards trade unions.

Whoever is proved right, there is general agreement that the CAW has made deeper inroads at Michelin than any of the other unions which have tried to recruit workers since the French company opened its first plant in rural Nova Scotia in 1968.

The CAW conceded that Michelin's wages and benefits are generous. Instead, its recruiting efforts have centered on what Mr White calls the right to a voice.

The CAW helped organise a long strike at a leading Toronto-based bank last year and provided support to flight attendants during a dispute with Air Canada.

UAW, Mr White has emerged as the most popular and influential trade union leader in Canada. He has tried to spread the Canadian union's wings beyond the motory industry.

'We feel that we can do a great job dealing directly with our employees. We prefer to do business without a third party'

CIA role in Iran deal queried

BY STEWART FLEMING, US EDITOR IN WASHINGTON

NEW ALLEGATIONS about the role of the Central Intelligence Agency (CIA) in the handling of profits from US arms sales to Iran indicate that the agency's involvement in the controversy is deeper than CIA director Mr William Casey has admitted.

rebels seeking to overthrow the Sandinista Government in Nicaragua. Mr Meese said then that the profits were "deposited in bank accounts under the control of representatives of the forces in Central America."

Mr Casey has maintained that, like other top US officials, he knew little about the Iranian arms sales and the channelling of funds to the covert funding operations managed by the White House.

Israel ministers in crisis meetings on Contra funds

BY ANDREW WHITLEY IN JERUSALEM

ISRAELI senior ministers held a series of crisis meetings yesterday on the continuing row with the US over the secret funding of the Nicaraguan Contra rebels which has temporarily distracted attention from Israel's role in the Iranian affair.

Within hours, the Prime Minister's Office issued a statement categorically denying the report. The speed of the denial and strength showed a keen awareness that, on this issue, Israel could run into grave problems with the US Congress.

WORLD TRADE NEWS

Motorola in Japan radio paging venture

MOTOROLA of the US has linked up with several Japanese companies in a bid to create the first private radio paging service in Tokyo.

The Japanese companies in the venture include Nippon Telegraph and Telephone Corporation, Tokyo Electric Power, Sumitomo Corporation, Nissio Iwai, and Mitsubishi Corporation.

The mobile communications field was opened to private companies last year, but delays in providing further regulations and specifications for the new business have so far prevented fast development.

Mr Stephen Levy, Motorola executive vice-president and general manager of the communications division, said: "Through the combined efforts of some members of the industry and government bureau, we were able to achieve participation in this new business."

Nippon Telegraph and Telephone has supplied 700,000 radio pagers to Tokyo and Motorola said yesterday that they expect the market will be expanded significantly.

The US link with Brother Industries will involve Xerox producing the Brother-designed products at its Californian plant, for sale in the US and Europe.

The move is the latest in an increasing number of tie-ups between Japanese and foreign companies aimed at reducing the problems created by the appreciation of the yen.

BCal's \$1bn MD-11 order likely to spark engine battle

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE British Caledonian \$1bn (£700m) order for nine new McDonnell Douglas MD-11 tri-jet airliners is likely to spark off not only a round of further orders from US and European airlines, but also a major battle among both financiers and engine builders.

BCal is buying the aircraft, not leasing them. But it will have to raise most of the \$1bn required—it will probably put up some cash itself—from existing bankers and other institutions customarily involved in financing major aircraft deals.

Its basic decision to buy rather than lease stems from the fact that as the launch customer, with the benefit of getting the first aircraft off the production line, it will have a first-class investment, instantly saleable if it ever needed to do so.

The MD-11 is likely to continue in production until well into the next century, and as such will have a high market value for many years to come.

willing financiers for the cash involved, and it is probable that there will be a competition among them for the privilege of providing the money.

On the engine side of the deal, BCal has still to decide between the three major contenders—General Electric with the CF-6-80C-2A Pratt & Whitney with the PW-4000, and Rolls-Royce with the RB-211-524-D4D.

below that level, at about 58,600 with the RB-211-524-D4D. Rolls-Royce will have to spend much cash and effort in bringing the D4D up to its competitors' level if it wishes to win the BCal order, which could be worth up to £200m in engines and spares.

In effect, this is an engine deal that Rolls-Royce cannot afford to lose, if it wishes to win further eventual orders for the D4D in MD-11s.

400 Jumbo jets for British Airways, with an option on 12 more, aircraft, but really to make money for Rolls-Royce, the market needs to be widened.

For example, the RB-211 in any version is not fitted to either the existing McDonnell Douglas DC-10 tri-jet (which the MD-11 will replace), or any version of the European Airbus, especially the A-310.

especially now that its collaborative pact with General Electric of the US has been ended, freeing it to compete with that company on big engines in world markets.

BCal itself wants guarantees from Rolls-Royce quickly that its D4D engine can meet the thrust requirements of the MD-11—probably by early in the New Year.

Liquor row will test EEC policy towards Tokyo

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

"special grade" for tax purposes. As a result, a bottle of Scotch whisky in Japan can cost up to the equivalent of £80, Mr Jackson says.

The tax regime for spirits was one of the main points raised during his visit to Japan last week by Mr Paul Channon, Secretary of State for Trade and Industry.

rests with the ruling Liberal-Democratic Party's tax committee, which is due to make recommendations on tax changes later this month.

Where liquor is concerned, there are also some quite delicate domestic political issues at stake. One is the way in which a new tax regime, based purely on the alcohol content of individual liquors, would affect the market for Shochu, a locally-produced spirit with a high alcohol content.

Another problem is more overtly political. It concerns the complex balance of relationships between the Japanese Government and the LDP itself. One fear is that the ruling party would react negatively to Government pressure.

Mr Sadamori Yamataka, Chairman of the LDP Tax Commission, is a former MITI minister and a noted tax expert. "He doesn't want to look like a person who is influenced by the Government," one Japanese diplomat said.

shift from the liquor exporters. "We must have a total restructuring of the present system," says Mr Jackson. This means that the Japanese must get rid of the grading system and reduce their import duty.

There is no suggestion at this stage that we want to restrict their (Japan's) exports," says the UK's Mr Clark, but he also told journalists this week that we'll have to do something "if a satisfactory result cannot be obtained."

Adds a senior Commission spokesman in Brussels: "This really is a test case: we will certainly not give up."

HK-Indonesia steel pact signed

BY JOHN MURRAY BROWN IN JAKARTA

A \$590m (\$418m) joint venture agreement between four Indonesian companies and a Hong Kong-based investment group for a seamless pipe construction project was signed in Jakarta yesterday.

The contract, for which tenders have already been received from Mannesmann Demag of West Germany and Italmont of Italy will be awarded in about three months.

6.1 per cent and the Hong Kong-based Asia Pacific Pipe Investment Corp 20 per cent. The company's capitalisation is set at \$190m, with the additional \$400m raised by the contractor to cover the cost of plant construction.

Turkey in bid to boost exports

BY DAVID BARCHARD IN ANKARA

TURKEY has announced new measures to promote exports and encourage the inflow of foreign currency into the country.

Exporters who sell more than \$50m (\$35m) worth of goods will be eligible for an additional 6 per cent tax rebate bringing the possible tax rebate ceiling to 14 per cent. The new tax rebate will be conditional on an exporter repatriating 70 per cent of his earnings.

for rebates. These include re-exported goods, such as iron and steel, and the sale of fresh fruit and vegetables to the European Community.

The government has also authorised the setting up of foreign exchange bureaux in Turkey. Until now only banks have been allowed to buy and sell foreign exchange.

UK NEWS

GUINNESS TAKEOVER INVESTIGATION

Argyll assesses bid inquiry

BY CLIVE WOLMAN

THIS WEEK'S government investigation into the Guinness takeover bid for Distillers and the subsequent slump of the share prices of Guinness and Morgan Grenfell, the merchant bank during the battle, have focussed attention on the legal consequences of such a probe.

The legal issue that has most affected the stock market is whether the Argyll Group, whose takeover bid for Distillers was thwarted by a counter-bid from Guinness, would be able to sue Guinness or Morgan Grenfell for damages.

The potential losses for which Argyll might claim compensation are substantial. Its expenses incurred during the bid battle were £55m, offset by a £20m profit on holding Distillers shares. But Ar-

gyll, if it had a case, might even be able to claim damages equal to the profits (net of acquisition costs) that it has foregone by failing to acquire Distillers.

Argyll's directors made it clear yesterday that they would probably not consider suing unless the investigation of the Trade and Industry Department (DTI) found that Guinness was in breach of the Companies Act during the takeover battle. Its action could then be based on a breach of statutory duty.

The sections of the 1985 Companies Act under which the DTI has set up its inquiry give some important clues as to the reasons behind it and the possible breaches of the Companies Act that are being investigated.

The inspectors have not been

appointed under the insider dealing provisions of the 1986 Financial Services Act even though such an appointment would have given the Secretary of State tougher powers to compel the production of evidence, particularly from foreign-based banks and financial institutions.

This suggests that the DTI has no suspicions of insider dealing although, if the inspectors come across such evidence and need an extension of their powers, they could doubtless be given a further appointment under the 1986 act.

But the inspectors have been appointed not only under section 442 of the 1985 act - which deals with the suspicion of an illicit concert party, or secret share-buying arrangement - but also

under section 432. This indicates that the DTI investigation is based on more serious allegations against Guinness.

One possible basis for invoking section 432 is that shareholders have not been given all the information "which they might reasonably expect" about their company's affairs. The other likely basis is that the company's affairs have been conducted in a manner prejudicial to some of its shareholders.

These provisions indicate that the suspected misconduct relates not only to the share dealings in Guinness and Distillers at the time of the bid but also to the commercial affairs of the company. This would include, for example, its distribution contracts with agents.

Decline in American visitors continues

THE DECLINE in visitors from North America continued at a high level in September this year although there are signs that the fall-off in tourists to the UK may be slowing down, David Churchill writes.

Figures from the Department of Employment published yesterday show that there were 19 per cent fewer visitors from North America in September of this year compared with the same month in 1985. However, this represents an improvement over the 40 per cent shortfall in American visitors reached in the early part of the summer. This decline followed widespread fears in the US of a renewed terrorist campaign in the UK and Europe following the US bombing of Libya in the spring.

So far this year there have been 27 per cent fewer visitors from North America to the UK although, over the same period, visits to the US by Britons are some 23 per cent above the level of 1985.

The fall in North American visitors in September led to an overall shortfall of 6 per cent in visitors to the UK. However, the value of expenditure in the UK by overseas residents in September rose by 4 per cent to £825m.

Expenditure abroad in September by UK residents rose by 27 per cent to £550m.

EMPLOYERS in the UK should not be afraid to award "significant" pay rises to high-performing employees, according to the Institute of Directors.

Call for reform of taxation to encourage innovation

BY HUGO DIXON

FINANCIAL TIMES CONFERENCE

Venture Capital

THE TAX system, not shortage of finance, was discouraging entrepreneurship, a leading venture capitalist warned yesterday.

Mr Colin Clive, chairman of the British Venture Capital Association (BVCA), said the Government had done much to encourage investors through stock options and the Business Expansion Scheme. However, it had done little to reform the tax system so that a manager wishing to run his own business was not discriminated against.

when the investor sold his shares in the fund. As a result, Mr Clive said, there had been a growth of offshore funds, which were expensive and time-consuming to manage.

Mr Paul Channon, Secretary of State for Trade and Industry, said he sympathised broadly with Mr Clive's aims, but he said he could not give any specific undertakings on tax changes. He listed three challenges for the venture capital industry.

The north-south divide in Britain was "extremely worrying" because more than half of UK venture capital investment went to companies in London and the south-east of England. To redirect more of this investment to the north, he advocated more efforts by regionally based venture capital funds and more co-operation between them and national ones.

There was insufficient research and development, and he proposed more co-operation between industry, higher education and financial institutions.

Small firms found difficulty in raising their first £100,000 of equity finance, which he feared was leading to "ventures of great potential benefit to the country" being missed.

incentive to set up a business, but the tax system penalised him. Mr Clive said: His capital gains are treated as income, which is usually taxed at a higher rate. As a result, experienced executives had an incentive to leave established companies to set up on their own.

Second, investors in UK onshore venture capital funds should pay capital gains tax once, not twice. In particular, the Government should recognise that a limited partnership was a suitable vehicle for the ownership of a venture capital fund and that a venture capitalist who took part in such a partnership would pay capital gains tax, not income tax.

This was the system which now operated in the US. In the UK, however, an investor could pay tax twice - when the fund sold shares in companies it had invested in and

US bank wins court appeal

By Raymond Hughes, Law Courts Correspondent

THE LONDON branch of Bankers Trust Company, a New York bank, has won its appeal against a High Court ruling that it must pay immediately, in dollar bills, \$131m claimed by a Libyan bank.

The Court of Appeal yesterday overturned the ruling and gave Bankers Trust unconditional leave to defend the claim by Libyan Arab Foreign Bank, which is wholly owned by the Libyan central bank.

The claim is part of Libya's moves to recover funds in US banks frozen by President Ronald Reagan in January as part of his anti-terrorism drive. In its action, which will come on for full trial next June, the Libyan bank is claiming a total of \$300m. In October Mr Justice Evans gave the Libyans summary judgment on the \$131m part of the claim, saying that Bankers Trust had no arguable defence.

He ruled that the \$131m was in a "dollar deposit account" and not a "Eurodollar account" - which would have given Bankers Trust a defence - and that, therefore, the Libyan bank could demand payment in London rather than through the US clearing system.

Bankers Trust felt unable to comply with the Libyans' demand for payment because of the freeze and location of the Bankers Trust's view, the Libyan account was within the Eurodollar market.

The appeal court will give its reasons for allowing Bankers Trust's appeal later. From the three judges' interventions during the hearing it seems likely that they took the view that the issues were so complex and the implications so important that it was not a proper case for summary judgment but required full evidence and argument.

Defending the High Court ruling, the Libyan bank argued yesterday that, as a matter of long-standing banking practice, money deposited in London was repayable in London.

It said that its London account was a running deposit account of a kind that did not come within the Eurodollar market as described by Bankers Trust.

Bankers Trust had produced no clear, convincing and consistent evidence that there was a banking usage that required payments from an account such as the Libyans' to be made in the US and nowhere else.

Although Mr Reagan's freeze purported to have extra-territorial effect, it gave no defence in England to the claim. The London account was governed by English law, the Libyan bank asserted.

Such entrepreneur-managers were "the goose that lay the golden eggs" - the key elements in the creation of new businesses, Mr Clive said. However, Britain suffered from a shortage of them.

Speaking at a forum on venture capital organised by the Financial Times and the BVCA, Mr Clive proposed two specific changes to the tax system to remedy this.

First, a full-time manager of a small business should not have to pay income or capital gains tax on the first £40,000 he invested in his own company, provided the investment was held for at least five years.

At the moment, not only did the entrepreneur-manager look such an

incentive to set up a business, but the tax system penalised him. Mr Clive said: His capital gains are treated as income, which is usually taxed at a higher rate. As a result, experienced executives had an incentive to leave established companies to set up on their own.

Second, investors in UK onshore venture capital funds should pay capital gains tax once, not twice. In particular, the Government should recognise that a limited partnership was a suitable vehicle for the ownership of a venture capital fund and that a venture capitalist who took part in such a partnership would pay capital gains tax, not income tax.

This was the system which now operated in the US. In the UK, however, an investor could pay tax twice - when the fund sold shares in companies it had invested in and

Data body steps up registration drive

BY TERRY DODSWORTH

THE UK data protection agency has launched a campaign to force the registration of thousands of data users who have failed to seek a licence to hold and manipulate computerised information.

The closure date for registration under the 1984 Data Protection Act, which seeks to protect individuals against the misuse of computerised information, was set for early May of this year. But according to the agency, only about 130,000 of the UK's estimated 300,000 data users have so far bothered to register.

"We are now trying to match up people we believe are users against those that have registered," a spokesman said yesterday.

Although the Office of the Data Protection Registrar was set up two years ago, the provisions of the act have been brought in gradually to allow data users to adapt to the new conditions. Many users are believed to be still confused about whether

or not they should register, since several categories are exempt from the registration process.

"But if people are ignoring the act, or being lax about it or avoiding it, the registrar has made it quite clear that he will not be lenient. He will consider prosecution if there is evidence of willful avoidance," the spokesman said.

So far, the main right given to individuals under the act is to receive compensation for loss or destruction of personal data. From the end of next year, individuals will be able to demand a copy of information about them held in data banks.

Mr Eric Howe, the Data Protection Registrar, said yesterday that many of these problems could be resolved by appealing to him in his ombudsman role rather than going to court. More than 180 complaints had been received from individuals, he said.

Tyre jobs join bid losses list

By John Griffiths

SOME 145 employees of Goodyear's subsidiary in the UK expressed yesterday to have joined a growing list of casualties of financier Sir James Goldsmith's defeated, \$5.5bn bid for the American tyre and rubber company.

The subsidiary, Goodyear Tyre and Rubber Great Britain, said yesterday the employees were to lose their jobs over the next three months. It described the move as "part of a restructuring programme to reduce overheads" and said it was likely that the UK company's workforce would fall further, in the long term, from its current 5,000 level.

The job losses announced yesterday are understood to have been accelerated as part of what Goodyear's US parent now claims to be an urgent need to cut costs worldwide in the wake of the Goldsmith bid.

Mr Robert Mercer, Goodyear chairman, has already announced the intended sale of at least \$1bn worth of assets, withdrawal from grand-prix racing and other restructuring measures sparked by the bid. Sir James agreed not to pursue the bid and to sell back his 11.5 per cent stake to Goodyear, earning his investment group more than \$80m.

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Young hails fall in long-term jobless figures

BY PHILIP BASSETT, LABOUR EDITOR

LONG-TERM unemployment in the UK fell by 7,000 in the latest quarter, Lord Young, Employment Secretary, said yesterday.

The fall is the largest non-seasonal drop in long-term unemployment since the late 1970s and is the biggest quarterly decrease since 1973-74.

Ministers believe that the reduction in the number of long-term unemployed, who make up more than a third of total unemployment, is only the first and the trend in long-term unemployment is now downward.

Speaking to the all-party House of Commons select committee on employment, Lord Young said that, according to annual seasonal patterns, there would have been an expected increase of about 30,000 in the numbers of the long-term unemployed.

But he said: "In fact, the number of people unemployed more than a year has fallen by 7,000." He said that the figures proved correct his forecast in the summer that long-term unemployment would fall by Christmas, and he added: "I am confident that long-term unemployment will continue to fall."

Lord Young said that long-term unemployment had risen each quarter for most of the decade, but he said: "For the first time we can see a substantial drop of 27,000 - the difference between what was expected and what we have got today."

The latest reduction takes the total of long-term unemployed to 1,341,000, down from 1,348,000 in the quarter to the end of June.

Lord Young told the committee that the decrease reflected "tremendous effort" which had been put to Restart, the Government's latest programme for the long-term unemployed, under which people unemployed for more than a year are invited to a personal interview with Department of Employment officials to consider in-depth the opportunities available to them.

Lord Young said that the programme was now on a "massive scale" - by October 9 the Manpower Services Commission, the Government's employment services agency, had invited more than 520,000 people to an interview and had conducted 370,000 interviews.

He said: "As with any new programme, it is early days yet, but I believe we are beginning to see the rewards of this programme. Reviving the confidence of the long-term unemployed will encourage them to tackle the labour market again."

Lord Young also forecast a further fall in youth unemployment following a decrease of 100,000 over the last three years in the number of unemployed people aged under 25.

He said that recently "there has been a significant change in the labour market with the downward movement in youth and long-term unemployment - the groups to whom we have given particular priority."

The select committee is to conduct an investigation of the Government's statistics on unemployment.

Lord Young told the committee he would provide it with all the necessary information.

Lord Young said it would now be "absolutely wrong and false" to revert to the method of recording unemployment which applied in 1979.

P & O expected to bid for European Ferries

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

P & O, the Peninsular and Oriental Steam Navigation Company, is expected to announce an agreed bid for European Ferries today.

Share dealings in both companies were suspended by the London Stock Exchange yesterday after the Monopolies and Mergers Commission reported that P & O's 20.08 per cent stake in European Ferries was not against the public interest.

Mr Geoffrey Parker, chairman of European Ferries, and Sir Jeffrey Sterling, chairman of P & O, met at a European Ferries board meeting shortly after the publication of the commission's report.

Neither company would elaborate on the negotiations, but it was clear that agreement on a takeover had been reached in principle. Talks were expected to continue into the early hours of this morning.

The Monopolies and Mergers Commission inquiry did not consider the consequences of a takeover of European Ferries by P & O, and it would be open to Mr Paul Chanon, the Trade Secretary, to request a fresh report in the event of a bid.

This was considered unlikely, however, since the issues the commission would have to address would be virtually identical.

Sir Jeffrey Sterling is believed to regard a bid for European Ferries as a logical move in an area in which P & O has substantial expertise.

passenger business to European Ferries last year for £12m but still operates 18 ferries, mostly carrying roll-on, roll-off freight. Most operate on the Irish Sea, but two are committed to a joint North Sea service with Nedlloyd Lines of the Netherlands.

European Ferries operates 24 ships on the English Channel, the North Sea and the Irish Sea and also owns and operates ports at Felixstowe and Larne. Both ports are used by P & O ships.

Both companies also have extensive property interests although European Ferries has experienced problems with holdings in Denver, Houston and Atlanta where the market has weakened in response to lower oil prices.

European Ferries was forced to write off £15m against property holdings in Houston - a figure which was revealed in the 1985 accounts at the insistence of P & O.

P & O reported profits of £59.8m before tax for the first six months of this year, some £7m more than expected, and is forecast to return full year figures of more than £170m.

European Ferries, by contrast, reported an interim loss of £4m at the pre-tax level following a 10-week stoppage on services operating from Felixstowe.

Monopolies Commission report, Page 26

Wealth patterns endorse north-south divide

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

FURTHER EVIDENCE of the sharp north-south divide in Britain's economic performance and prosperity was provided yesterday by an official study on spending patterns and earnings.

Preliminary data from the Department of Employment's 1985 Family Expenditure Survey show that the earnings of the average household in the prosperous south-east are now around 45 per cent higher than in the depressed north of England.

The survey also illustrates the large gap between the earnings and spending power of the richest and poorest groups in the population, and between those in work on one side and pensioners and the unemployed on the other.

The average British household spent just under £182 per week in 1985, £10 more than the previous year. Low-income pensioners, however, spent just 24 per cent of the national average, while the weekly outlays of the richest 20 per cent of the population were 84 per cent higher than the average.

Households with the main wage-earner in work spent just under £205 per week. Those headed by a person among the long-term unemployed could afford less than half that amount.

sharp discrepancies that have been emerging as a result of the imbalance in economic growth between different areas of the country.

In an analysis covering both 1984 and 1985, the survey says that the typical weekly income of a household in the south-east was £248. For a household of similar composition in terms of the number of adults and children in the north the figure was £170. In between, households in a region such as East Anglia (eastern England) had an average income of £204, while those in Yorkshire and Humberside in the north averaged £178.

Similar, though not quite as large, disparities are revealed by typical spending patterns, with the northern households recording an average weekly outlay of £131 against the £181 recorded for the south-east.

Part of the explanation is the concentration of long-term unemployment outside the south-east. In the average household of 2.6 people in the north of England, for example, 1.52 were not working. The size of households in the south-east is about the same but on average only 1.29 are without employment.

The income disparities are also clearly reflected in the ownership of cars and other durable goods such as video recorders.

SHARE OFFER OVERSUBSCRIBED BUT PREMIUM THREATENED

Gas sale falls below expectations

BY RICHARD TOMKINS

THE £5.5bn offer for sale of shares in British Gas was oversubscribed when it closed yesterday, but the number of applications received seems certain to have fallen embarrassingly short of expectations.

With counting still going on last night, best estimates put the total number of applications at between 3.5m and 4m - far below the 5m applications received for the much smaller and less heavily promoted TSB flotation in September.

Market research in the run-up to the British Gas offer had suggested that 6m were certain to apply for shares and that another 4m probably would. More than 7.5m people registered their interest in the offer

with the British Gas share information office.

The weight of money received has been enough to trigger the clawback arrangement which brings more shares into the public offering at the expense of institutional and overseas investors but seems likely to leave the issue as a whole subscribed only 1.3 times.

If the figure for the number of applicants is confirmed, it will almost certainly have implications for the opening price of British Gas's shares when dealings begin on Monday. Mr Peter Spring, an analyst at Greenwell Montagu, the stockbrokers, said: "Psychologically, it would be very bad for the market, and expectations for the premium would be very limited."

The "grey" market price being made in the shares ahead of official dealings was slightly down at 58 1/2p yesterday, but this was ahead of any firm indications of the response to the offer.

N. M. Rothschild, the merchant bank sponsoring the issue, said the total number of applications appeared to have been reduced by the number of joint applications made and that the average value of each application had been much higher than expected.

"We will certainly be making at least 3m allotments, which is more than in any other issue," said Mr

Tony Alt, a director. "It is quite wrong to compare British Gas with TSB. That was a give-away, whereas this was a sensibly priced offer."

As Mr Peter Walker, Energy Secretary, watched the last applications being handed in in the City of London yesterday morning, a damage limitation exercise was already swinging into operation. It was clear by then that a shortfall was in sight, but Mr Walker refused to acknowledge any sense of disappointment over the response.

Meanwhile, Sir Denis Rooke, the chairman of British Gas and never an ardent proponent of its privatisation, appeared to be distancing himself from the flotation.

Council cash switched to head off Tory revolt

BY PETER RIDDELL AND FIONA THOMPSON

THE SIZE of changes in next year's central government grant to local authorities is to be limited, benefiting most out-of-London boroughs and surrounding counties.

The revision, announced in the House of Commons yesterday by Mr Nicholas Ridley, the Environment Secretary, leaves the aggregate Treasury grant for 1987-88 unchanged at £12.8bn. So the alterations represent a redistribution

from some councils to others. This follows vocal protests by Tory MPs, particularly from around London, who threatened a major Commons revolt unless the plans were changed.

Mr Ridley argued that the decision was not political but reflected the appearance of new information on expenditure levels and capital allocations which are used in the calculations of grants. This would have

further reduced the grant entitlements of those authorities which were already due to lose most under earlier proposals.

The changes provide for a tighter safety net with a maximum loss of grant for local property tax payers, together with a limit on increases in grant.

The main beneficiaries of the revised settlement compared with earlier proposals are counties such as Surrey, Hampshire, Hertfordshire, Bedfordshire and Oxfordshire as well as outer-London boroughs. But many metropolitan districts, such as Birmingham, lose out.

The announcement was yesterday welcomed by Tory MPs from outer London, although criticised by some others.

Government seeks to switch spy row on to Labour's role

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE CREATION of an external review body to oversee the activities of Britain's security service will remain impossible as long as the Labour Party breaches the political consensus on defence and security issues, Mr Douglas Hurd, Home Secretary, told the House of Commons yesterday.

His attack represented a further attempt by the Government to deflect criticism away from its own handling of the MI5 spy-book case in Australia and to focus attention on the Labour leader's role in the affair. But Mr Gerald Kaufman, the shadow Home Secretary, accused Mrs Margaret Thatcher, Prime Minister, and her ministers of "corrupt decision making" and repeated inconsistencies when considering whether or not to ban the release of security-sensitive information.

Mr Kaufman asked why Mrs Thatcher had sent Sir Robert Armstrong, the Cabinet Secretary, to Australia "to make a fool of himself and to leave in public utterance a previously important and prestigious office." He demanded to know why she had decided, in 1981, not to prosecute a book on the security services by Mr Chapman Pincher.

Mrs Thatcher's office yesterday did nothing to dispel the impression that Mr Neil Kinnock, the Labour leader, has put in jeopardy his access to security briefings by making direct contact with the Australian lawyer who is challenging the Government's attempt to prevent publication of a book by Mr Peter Wright, a former MI5 officer.

It was being emphasised that Mrs Thatcher was anxious to preserve the bipartisan approach which governed security issues but that it was up to Mr Kinnock, on his return from the US, to make his own position clear.

Mr Kinnock's actions represented "an amazing mixture of inexperience and irresponsibility" and were the latest in a long line of examples of the breakdown in consensus which had taken place.

Mr Roy Hattersley, Labour's deputy leader, issued a statement saying the party did not mean to be deflected by the wholly unjustified attacks being made on Mr Kinnock, whose Australian contacts had been solely designed to clarify and confirm publicly available information.

The real issue was one of government competence and integrity and allegations that Labour wanted the publication of material damaging to national security were a lie.

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Decline in American visitors continues

DECLINE in the number of American tourists to the UK... Figures from the Department of Tourism... show that there were 1.5 million American tourists to the UK in the first nine months of 1986... compared with 1.6 million in the same period last year...

UK NEWS

Sales pitch to middle England

MR NEIL McRAE, the new managing director of the Readers Digest Association in the UK, has a well-honed image of his market.

The Readers Digest reader is almost the personification, he believes, of conservative middle England.

"They are responsible, well established, affluent citizens with an outlook that is upbeat. People who believe in the country, believe in the future, believe in private enterprise," says Mr McRae, who became managing director in July.

With his white shirt and dark suit, reassuring air of a friendly bank manager, dandy sailing and charity work for Save the Children in his spare time, Mr McRae, 47, is clearly one of them. He lives with his wife and three daughters in a comfortable suburb on the north-west fringe of London.

The Readers Digest, founded in 1922, sells more than 1.6m copies of its British edition - 95 per cent of them through subscriptions - and within the company the UK company has outperformed every other country apart from the US for the past three years.

The only time the upbeat Mr McRae, born in New York and educated in Cape Town, shows a trace of irritation is when he hears the word "timewarp" used yet again about the magazine.

Yes, Life's Like That is still there. And the real-life drama, the condensed book and even advertisements for the "free" magazine The

Plain Truth which can "help you face the future with renewed confidence."

The formula of providing articles of relevance to readers' lives and of lasting interest does not change, he concedes.

"When you've got a damned good formula, you change it at your peril," says Mr McRae.

The magazine accounted for about 25 per cent of £70m turnover in the year to June, with most of the rest from recorded music and special books on car care or vanished civilisations - "education with a very small e," as Mr McRae puts it.

But if Readers Digest has a familiar feel to it, the company is in the process of embarking on its first major diversification since the 1980s.

Ironically there is an almost subliminal hint at the change of direction in the first item in the Happiness Is... column in the December issue of the magazine.

"Happiness Is... Finding out that the mess you're in is fully covered under your insurance policy."



pects than purchasers of books on animals.

One potential problem - that Readers Digest customers might be such good prospects for insurance that they all might have it already - has not materialised.

"The forecast we made after the test marketing has been exceeded," says Mr McRae, who is now looking at the possibility of Readers Digest endorsement policies.

Mr McRae, who until his promotion was responsible for new business development at Readers Digest, is also planning a new venture to handle marketing and subscription for a host of monthly magazines for a fee.

The concept being tested envisages Readers Digest customers receiving promotional material with a list of 52 magazines. Readers Digest would collect the subscription and then relay the information on new readers to the distribution departments of each magazine.

The idea is being carefully looked at to ensure that all the risk has been removed before the private company which grows its business from its own resources rather than borrowings finally decides to go ahead.

Like a prudent reader of the Readers Digest, however, the company is investing in the future while profits are good "and we have a little fat on us" so that the future can be faced with renewed confidence.

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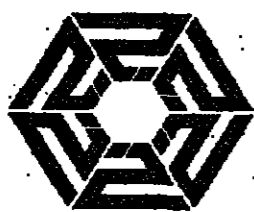
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Projects Group, Treasury, Corporate Finance, Portfolio Management. The sum of all Gulf Investment Corporation's trading activities to year end 1985 saw balance sheet totals rise from a 1984 level of US\$475 million to US\$1,048 million, with a net profit of US\$57.2 million. The figures for 1986, with the build up phase virtually complete and all systems up and running, project further substantial improvement. 1987 will be a year of significant achievement, confirming that Gulf Investment Corporation is the major financial force leading the development of economic integration in the Gulf.



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Britain prepares to lift security veil on Hotol space aircraft

BY PETER MARSH

BRITAIN is due early next year to lift the security wrap from Hotol, the country's proposed space-going aircraft, as part of an effort to convince other European countries to back the project.

The UK's reluctance to discuss the full details of the project, which the Defence Ministry has classified, has added to scepticism about Hotol at the 11-nation European Space Agency (ESA).

Britain is trying to enlist European support for Hotol, (Horizontal Take-Off and Landing). The project, which is still in its early stages, could lead to a vehicle that takes off from a runway like an ordinary aircraft lifting people and material into space at a fraction of the cost of conventional rockets.

Tentative estimates for Hotol suggest that it could cost about £4bn, of which Britain would put up no more than about 25 per cent with the rest coming from other European countries. If supported in the next couple of years, Hotol could be

flying in the early part of the next century, say UK officials.

Mr Roy Gibson, director general of the British National Space Centre, said he hoped the security classification over Hotol could be lifted by February. The Defence Ministry automatically classified the project, on which Rolls-Royce and British Aerospace are working, because of its possible military applications.

The most secret part of the project concerns the vehicle's engines, code named RB 545, which are under study at a Rolls-Royce test facility in Ainsty, near Coventry, West Midlands. The devices are intended to breathe air in the early stages of ascent and then, in the upper stages of the atmosphere, switch over to a source of liquid oxygen. At this point they would behave like rocket engines.

Although this principle of using a single engine to move a vehicle into space has been under study for some 20 years, mainly in the US, engineers have yet to prove that the concept can work.

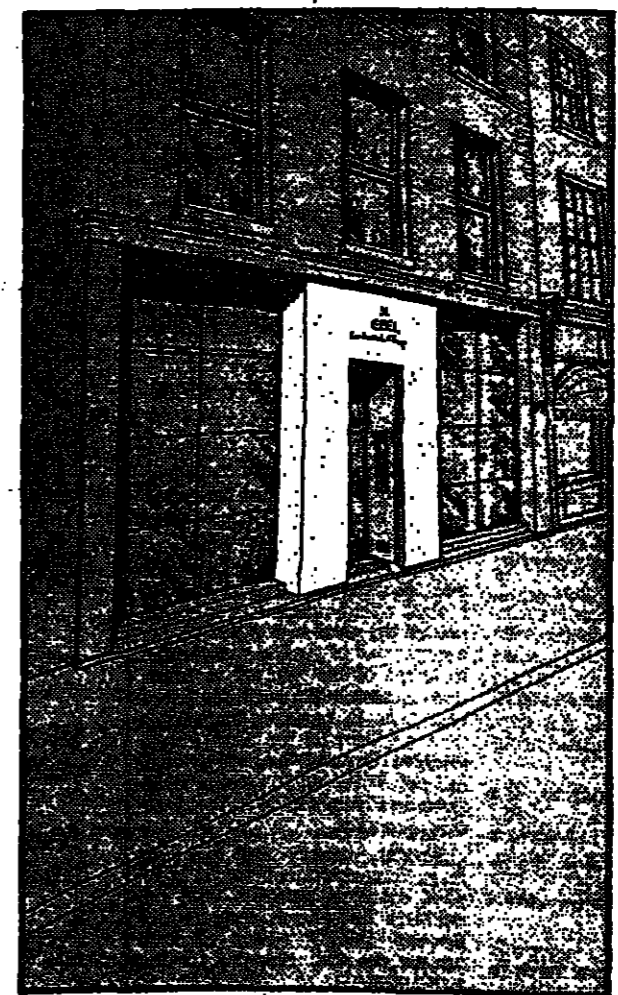
Britain has caused some frustration at the Paris-based ESA by trying to gain general support for the scheme but without divulging the full details of the engine design.

Professor Reimer Luest, ESA's director general, said British officials had given him "a good presentation" on Hotol but without explaining the engine technology. "I would like to know what is the trick to Hotol," said Prof Luest. "I am not sure if Hotol is a feasible scheme or just a good idea."

Mr Alan Bond, a leading UK rocket engineer who is a consultant to Rolls-Royce on the Hotol project, said that he hoped engineers could demonstrate the validity of the Hotol concept by next summer. He said he was "very sorry" that the project had to be classified, but this was because the US and Japan, both of which are working on advanced engines for space vehicles, would dearly love to know the secrets of the project.

Technology, Page 10

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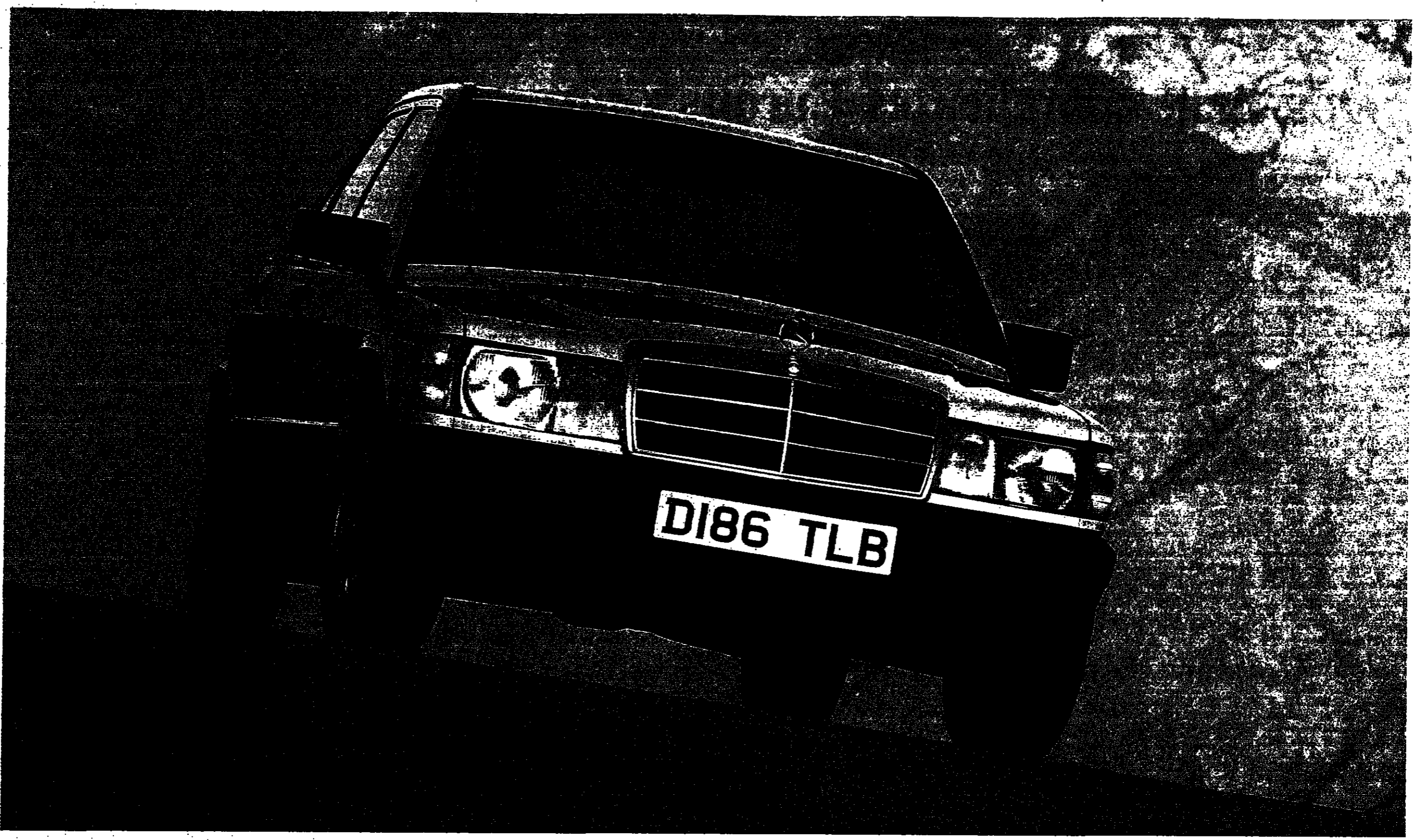
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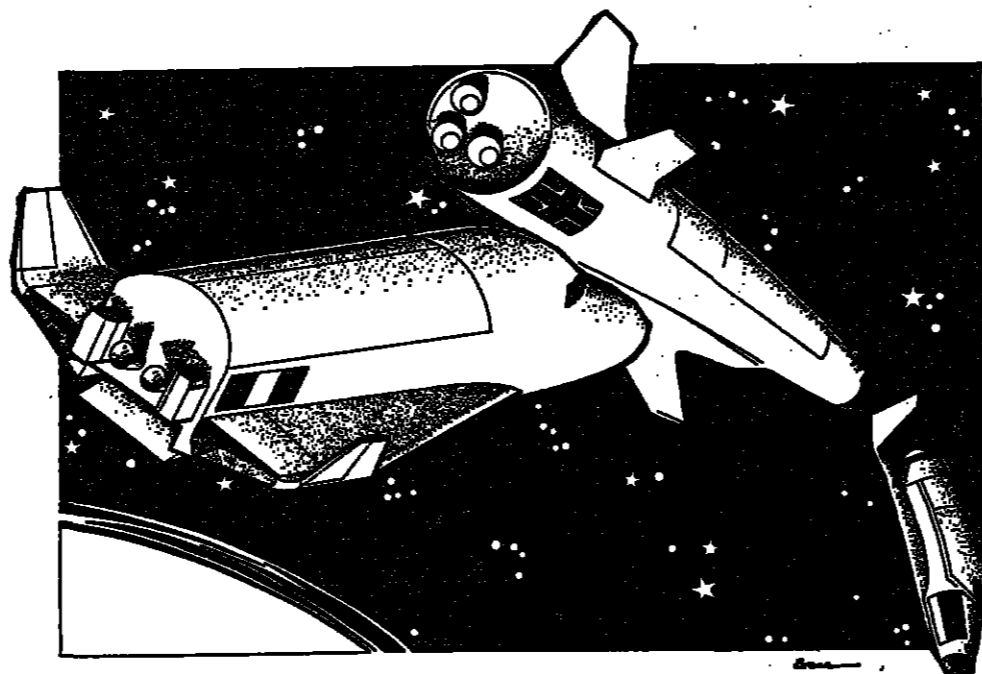
HERMES, HOTEL AND SAENGER

Dog-fight complicates Europe's thrust into space

By Peter Marsh in London and David Marsh in Bonn

RIVAL SCHEMES proposed by France, Britain and West Germany are complicating European efforts to agree on a new series of manned space launchers. These vehicles would represent a leap by Europe into a new era of space transportation to follow the development of Ariane, an expendable rocket which lifts satellites into orbit. The three countries, together with the other members of the 11-nation European Space Agency (ESA), have to decide by next summer which combination of the projects to back in plans to develop over the next 20 years vehicles that can carry people to and from orbit. The ESA, based in Paris and with an annual budget of about \$1.2bn, was set up in 1975 to administer Western Europe's space programmes. Leading the field among the rival launcher projects is the French-inspired Hermes, a small, winged craft, with room for several passengers, that would enter orbit on top of an ordinary rocket. This will be Ariane-5, a more powerful version of today's Ariane. Hermes has already been adopted as an ESA programme, with design under way and full-scale construction likely to start next year. Providing competition for Hermes is Hotel, proposed by the UK. Hotel, which is short for Horizontal Take Off and

Landing, promises to dispense with conventional rockets. Instead, the vehicle, looking like a 21st century version of Concorde, would take off and land using a runway. According to Mr Alan Bond, a leading UK rocket engineer who is credited with inventing Hotel, the vehicle's main achievement would be to cut greatly the costs of putting payloads into orbit—with giving rides to men and women a secondary consideration. The maverick outsider among the space projects is Saenger, a German scheme for a hypersonic aircraft the size of a jumbo jet which would carry piggy-back a second, rocket-powered vehicle that would enter space. Like Hotel, Saenger is considered by most observers to be unlikely to fly before the early years of next century, while Hermes appears a less ambitious concept which could be operational by the mid to late 1990s. According to this view, Hermes, the costs of which are put at \$2bn-\$3bn, is seen as Europe's second generation transport system, following the Ariane development. Hotel and Saenger (or possibly a combination of the two) are regarded as a third generation of launchers for use around 2010. Rough estimates for the costs of the two projects are \$6bn for Hotel and \$12bn for Saenger.



In recent weeks, however, Britain has upset this consensus. It has proposed a more radical strategy, that the ESA might do better to drop Hermes and instead proceed in one step to Hotel. Mr Roy Gibson, director general of the British National

Space Centre, says the final choice should be made only when the design phase for Hermes is finished next summer. Mr Gibson points out that Hermes is not a launcher—it needs an Ariane to boost it into

space flight — which he says would be "very interesting"—but he is not sure if the cost could be justified by the limited goals involved. Mr Bond, who worked on Britain's aborted Blue Streak rocket project of the 1960s and is now a consultant for Rolls-Royce, which with British Aerospace is working on Hotel, goes further than Mr Gibson. He says it would be "a total mistake" to build Hermes. According to Mr Bond, the need to carry Hermes will force engineers to stretch Ariane-5 to its limits, making the rocket uneconomical in what Mr Bond argues should be its more important job, lifting satellites into orbit. According to Mr Bond, Rolls-Royce engineers are "nearly there" in their design of the new air-breathing engine intended to power Hotel. Details of the engine which would allow the craft to take in air during the early stages of ascent and switch over to a supply of liquid oxygen in the upper atmosphere, are classified. The British suggestion about missing out Hermes has caused rancour in France, which as Western Europe's biggest spender on space technology has led the development of Ariane and is strongly committed to Hermes. Mr Frederic d'Allest, director

general of the French national space agency (CNES), says it is "wishful thinking" to suggest Hotel could be built before about 2010. Not to proceed with Hermes would therefore leave a big gap in Europe's space programme. Jumping into such a radical programme as Hotel would be too risky, according to Mr d'Allest. "We in France believe in a more evolutionary, conservative approach." The French view has found some support elsewhere in Europe. Professor Reinmar Laest, the ESA's director general, says that Hermes will be vital in providing a European vehicle to ferry people and supplies between Earth and Columbus, an orbiting laboratory that the ESA is due to build in the 1990s. Industry and government officials in West Germany basically support Hermes, though they are attaching strong conditions (see accompanying story). Mr Ernst Hoegenauer, deputy manager of the space systems division at Messerschmitt Boelkow Blohm, which is in charge of work on Saenger, says: "Hermes is a place for Europeans to do their homework in areas like re-entry technologies, space avionics and new materials. Hermes is the beginning of everything we are talking about for the next two or three decades."

DEC pushes for larger share of UK automation

By Geoffrey Charlis THE UK arm of Digital Equipment (DEC), US computer manufacturer, is to make a co-operative effort with three other American companies based in Britain to speed its penetration of the manufacturing/automation market. At present DEC is battling with IBM for dominance of computer supplies to manufacturing industry. DEC's partners in the venture are General Electric Calma, the computer-aided design specialist, Cincom, which is a software house with good experience in manufacturing resource planning (MRP) and Tektronix, which will offer expertise in computer-aided engineering.

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West Germans demand development work in return for supporting French

BOTH Messerschmitt Boelkow Blohm (MBB) and the German Technology Ministry, which together have put up DM 2.5bn in funds to support work on Saenger during the last year, see the Saenger/Hotel projects as essential follow-on programmes from the French-led Hermes. But the Germans are also determined that industry should win a much more technologically important share of Hermes development work than has been the case in previous European aerospace projects. The German government in October decided to spend

DM 32m by taking a 30 per cent stake in the preparatory design phase of Hermes. But Bonn has stopped short of giving the formal go-ahead for participation in the rest of the programme. The Technology Ministry says Germany will decide to continue with the Hermes programme only if it wins full participation in the technologically demanding parts of Hermes. MBB, together with Dornier, MAN, AEG Telefunken and the ANT electronics company, has formed a group to negotiate detailed work-sharing arrangements with Aerospatiale, France's overall Hermes project co-ordinator. Mr Ernst Hoegenauer, the

MBB official representing West German industry in discussions over Hermes, lists the key areas for which the Germans would like to have leadership responsibility in the project. These are propulsion, life support systems, fuel cells and communications. The Germans should also be involved in work on new structures and on flight control, he says. "I wouldn't like us to have only peanuts," he adds. Additionally, Germany is pushing hard for part of the assembly work to be carried out by MBB. Out of the nine Hermes models—seven for development and two for flight—three (two development models and one of the

flight models) must be integrated in Germany, Mr Hoegenauer says. "We will have big problems if we don't get agreement," he states. The Germans have been trying hard to win support from Britain for a joint position on Saenger and Hotel. This line has met some suspicion from Paris that a possible anti-French European space axis is being formed. The British-German link is clearly reflected in the make-up of two ESA study groups set up to look into advanced air breathing propulsion systems. The first group links MBB, Rolls-Royce, MTU, BMW and

the University of Stuttgart, with the second made up of the French engine companies Saecma and SEP along with Fiat of Italy. Rolls-Royce caused some irritation in France earlier this year when it spurned overtures from Saecma and SEP to work together on advanced air breathing engines. Both the German Technology Ministry and MBB are backing the idea of pooling British and German expertise on Hotel and Saenger in a joint three-year study on "advanced systems." Under the auspices of the ESA this study could start next year. The Germans believe the advantage of Saenger is that it is a more flexible concept

than Hotel, while also offering a route to a possible terrestrial hypersonic aircraft. Professor Eugen Saenger, the German space pioneer, developed the concept for a rocket aeroplane in 1942. This was intended to reach a top speed of 11,000 miles per hour and would have been the first ever single-stage reusable space launcher. Luckily for the Allies it was never built. Prof Saenger worked on his project with MBB until he died in 1964. The German government financed the project—which involved more than 1m working hours of research—up to the beginning of the 1970s. The project was restarted in earnest over the

last year, given added impetus by the US Challenger space shuttle disaster. The Germans have already carried out wind tunnel tests on Saenger, involving speeds up to Mach 25 (15,000 mph). The first stage—which MBB says could form the basis of a future hypersonic airliner—would be the size of a Boeing 747, accelerating to Mach 7 and reaching an altitude of 25 km. It would be powered by six turbo ramjet engines using liquid hydrogen as fuel. The second stage would be called Horus in its manned version (Hypersonic Orbital Research and Utilisation System) or Cargus for cargo only.

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MINING

Chris Sherwell profiles the backer of an America's Cup contender Australian sets sail for El Dorado

QUESTION: Which well-known Perth entrepreneur, with interests straddling several sectors and countries, also heads a syndicate behind Australia's defence of the America's Cup?

Answer: Not only Alan Bond. Another such businessman, and in many ways more intriguing, is Kevin Parry. Unlike Mr Bond, who is something of a high-profile, extrovert risk-taker with a keen eye for profit, Mr Parry is a relatively low-key figure with a longer view and a preference for assets growth.

Not that the two men are all that different. Both control and run their business empires in an autocratic style, with a powerful belief in themselves and the natural virtues of private enterprise. They share something of a disdain for the politicians they have to deal with, and both have strong backing from numerous banks and broking firms.

Both are also richly illustrative of how opportunities can be realised into success in Australia, and especially in the "frontier" state of Western Australia. Anyone wanting to know how businesses are started, structured and built up Down Under could do worse than look at them.

In Mr Parry's case, it has produced a conglomerate with interests in retailing, property, media, communications, resources and high technology. In recent years the balance of importance among these has been changing, and some believe a momentum has now built up which could prove unstoppable.

None, however, has so far produced the same publicity as his chairmanship of the Taskforce '87 syndicate which stands behind the Kookaburra, the two 12-metre yachts which have been campaigning so successfully against Mr Bond's Australia IV and Australia III to defend the America's Cup next year.

To many, the competition on the water reflects another on shore. True or not, the effect is at least to hone the Australian defence of the cup (whoever conducts it) to competitive perfection and, in Mr Parry's case, underline his reputed ability to select good men for the job and manage them well.

That said, people do find Mr Parry a difficult man to deal with. Initially he seems uncommunicative, irascible and abrupt. Those who know him

better say first appearances are misleading. One of his most revealing comments, echoed by at least one Melbourne broking firm, is that his group is misunderstood by the market and underrated. To look at profit figures, that might be understandable.

The net profit attributable to shareholders in Parry Corporation for the year to June was just A\$8.6m (US\$5.46m), but it

join in that he left school at 15 and says he used trips around Australia with the state baseball team to visit manufacturers and find out more about how business was done.

By the time he took over the family business in 1962, it had built up a turnover of A\$10,000 (then A\$5,000) a week.

The flow of cash was used to build up property interests and, although he does not talk about the errors which make him say

The previous year saw a similar performance, a sign of weaker economic times in Australia. The other major cash cow has been control of NBN-3, the only commercial television station in the Newcastle area of New South Wales which has a population of around 800,000—one of the largest provincial centres in the country.

That contributed heavily to the A\$26m turnover of Mr Parry's media interests, which also include a stake in a Queensland television station. But he hit a problem in neighbouring Papua New Guinea this year when the Government, having originally granted him the licence, decided not to introduce television at all.

In the related area of high technology developments, the focus is on Underwater Systems Australia (USAL), which is also majority controlled by Parry Corporation and was listed this year.

This is billed as one of the first volume producers of small remote underwater vehicles. Under agreement with a US company, it also hopes to sell larger exploration vehicles, trying no doubt to capitalise on the success of the Titanic findings.

Most of the excitement at Parry these days, however, is reserved for its resources activity, which is concentrated in oil and gold.

Earlier this year the group's main resources arm, the quoted subsidiary called Pelsart, sold off its petroleum interests, shifting them to Offshore Oil, a company 39 per cent owned by Parry Corporation.

Pelsart is now concentrating on mineral exploration and development — or more accurately, on gold interests in Indonesia. Mr Parry first visited Indonesia in 1969, liked it and started making contacts — a long process and an essential one in a country of its complexity.

Some fruits of this build-up have come in the form of joint ventures he has initiated with companies like BP Minerals and Renison Goldfields. But the real rewards are reckoned to lie in the tracts it is exploring in Kalimantan (formerly Borneo) which, so company officials suggest, promise a new El Dorado.

Samples from the Mt Muro region, for example, are said to be showing ore finds of far higher grade than are seen in Australia.



Mr Kevin Parry: concentrating on Indonesian gold interests

was a record by far. The previous best was in 1983 at A\$4.5m and the intervening years saw losses. Group turnover was also a record at A\$119m, well up on the 1985 level of A\$86m.

These do not seem like figures portraying a major business empire, but Mr Parry says the company's overriding objective hitherto has been to increase asset backing.

Thus, total assets showed a 44 per cent growth to A\$291m last year, and on one calculation an investment of A\$10,000 in Parry Corporation in 1975 would have exploded to almost A\$750,000 by 10 years later.

Now, however, policy is said to be changing, with the aim of boosting earnings. At a recent company meeting, Mr Parry said the group was entering a new phase of growth and he reportedly promised a profit increase of around 50 per cent.

This will take the group a long way from his father's furniture manufacturing business, started in Perth after the family arrived in Australia from Manchester. Son Kevin was so keen to

it, Mr Parry counts it as a mistake that he had not learned more about real estate in his early days in business.

Since then the company has followed a more or less traditional Australian diversification path — into resources in the 1970s technology and communications in the 1980s.

The company went public in 1974, but control remains firmly in the hands of Parry. Mr Parry's own company, which has 54 per cent of Parry Corporation. That is unlikely to change.

The most controversial property deal has been at Hall's Head, near the coastal town of Mandurah, 50 miles south of Perth. A long-term and eye-catching work and holiday resort development, it attracted controversy when the State Superannuation Board came in on the project in 1982, effectively assuring its future through to the late 1990s.

Significantly, however, it is retailing which remains a prime source of cash through which Mr Parry has built everything else. In 1985-86 it generated a turnover of A\$47m, on which a loss of A\$2.5m is recorded.

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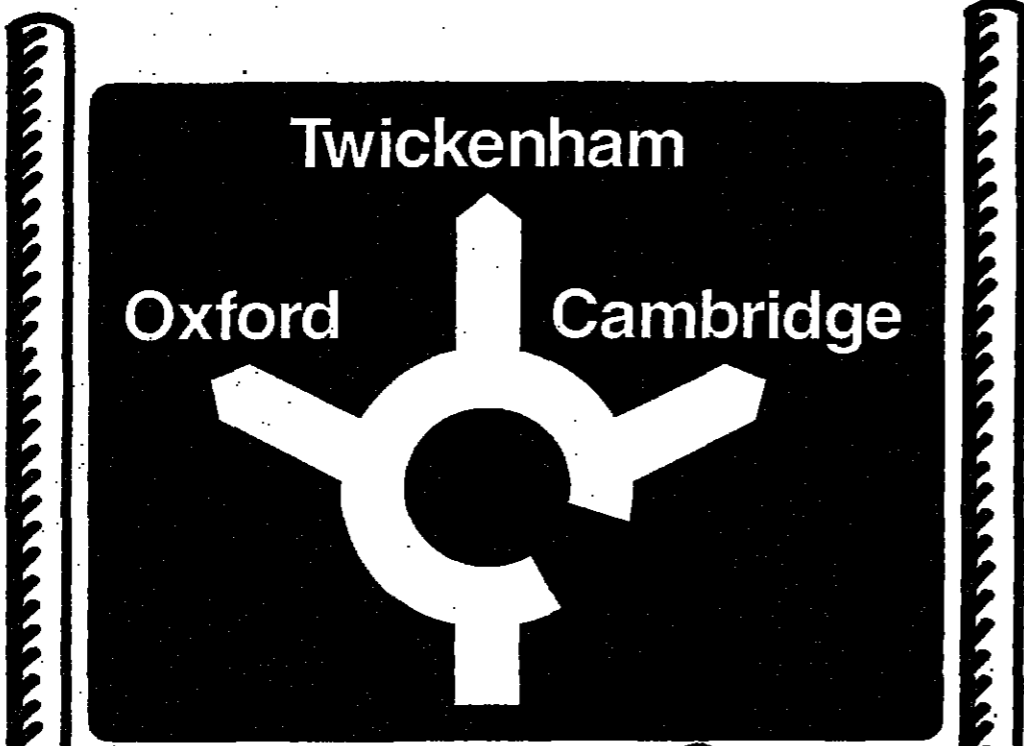
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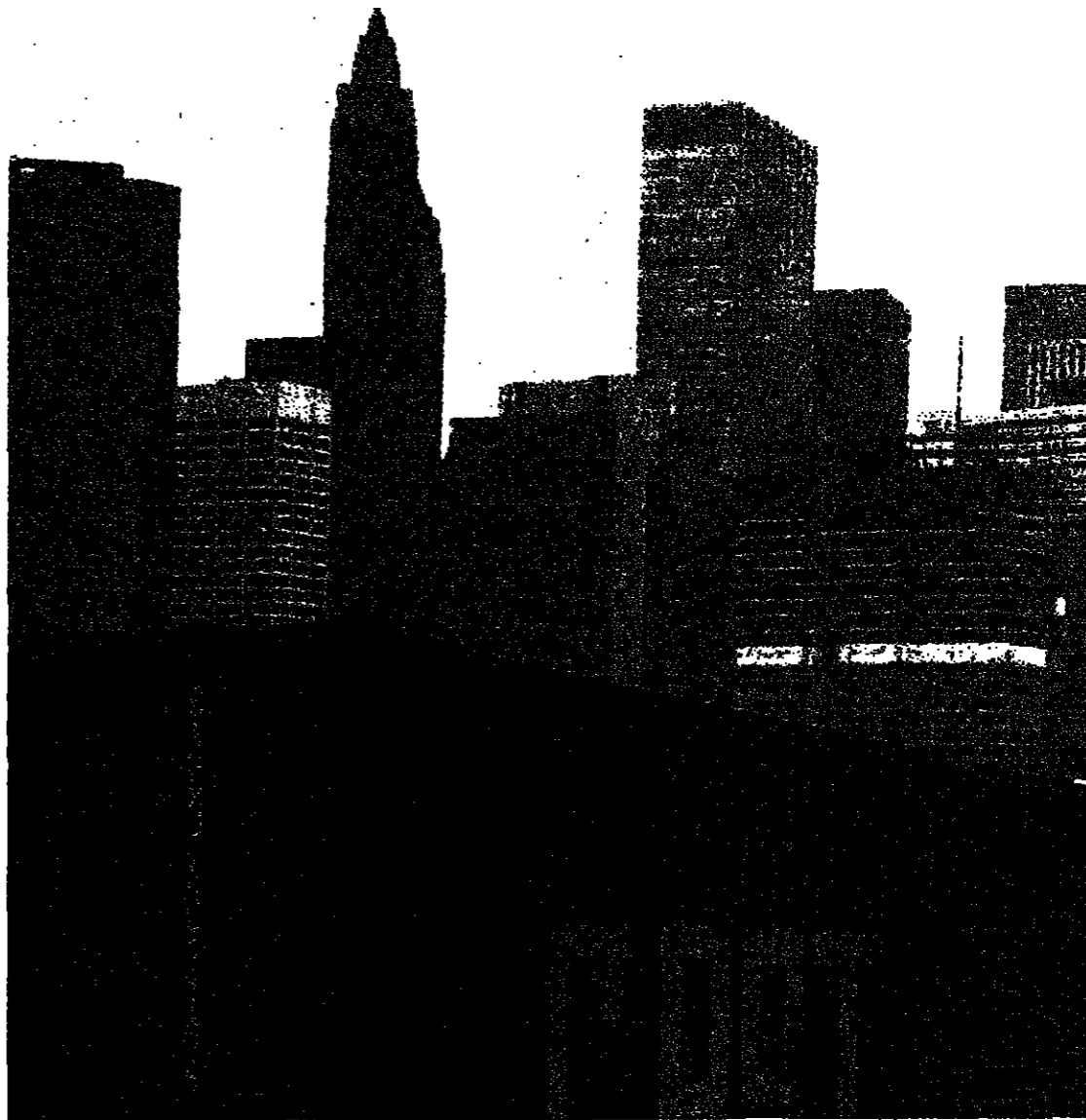
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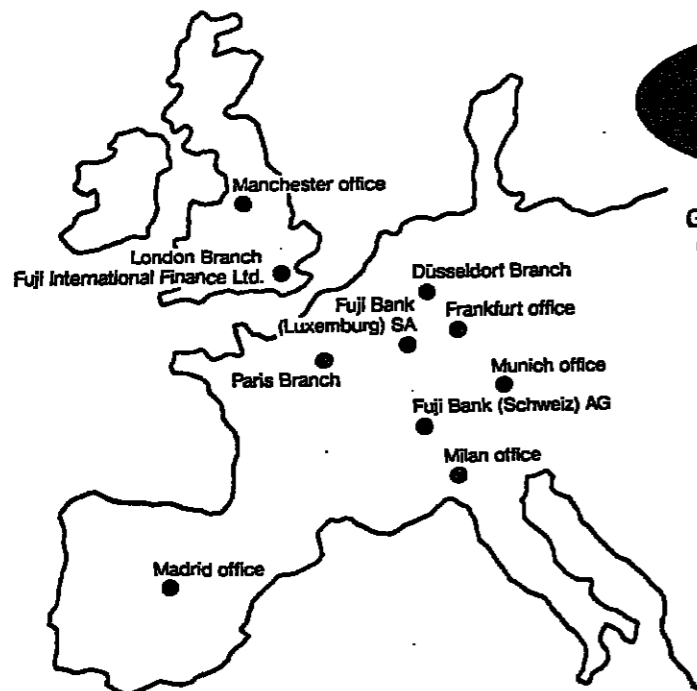
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TODAY the European Court will deliver four judgments on the EEC Commission's complaints that France, Denmark, Germany and Ireland have erected barriers against penetration of their domestic markets by British and Dutch insurers. It will continue to ponder another case, substantially about the same issue, which takes the form of an appeal against the Commission's decision condemning a German insurance cartel.

Though presented in legal language, the issue is political. It is one of the manifestations of the stubborn resistance of the mainland member states - with the exception of the Netherlands - to the liberalisation of financial services. As long as liberalisation of services concerned only the professions, an agreement could be reached, though not easily. When it came to insurance, however, the Council was willing to pass only legislation which, though sounding communitaire, could be interpreted so as to stop UK insurers.

When adopting the Co-insurance Regulation - on which much of today's decisions will turn - the Council went out of its way to state that this regulation intentionally left open the dispute between member states about the meaning of the Van Binsbergen judgment of the European Court (Case 33/74). Did it allow member states to require insurers from other member states to establish local branches and/or obtain authorisation to do business? The Council dropped this hot potato at the European Court, leaving national requirements that insurers wished locally to be appraised on the basis of the EEC Treaty.

I think the Court, invited to fill the legislative vacuum, will side with the Dutch and the British, simply because it would be awful were it not to do so. Protesting in vain against the burden of agricultural subsidies and surpluses, disappointed with Brussels' industrial policy, irritated by the obstacles put in the way of technology transfers by the Court's restrictions on patents and trade markets, the UK's only hope of some compensation is in the area of financial services. It is bad policy

to drive your victims to despair, and the members of the Court, who mostly have some sort of political background, know it.

The cases to be decided today (Nos. 220/83, 252/83, 205/84 and 206/85) concern, in the first instance, the level of threshold under which the defendant states do not allow co-insurance by insurers from other member states. As Advocate-General Sir Gordon Slynn argued, such threshold could be fixed only by the Council - but the matter is best left to the market as no one goes to a consortium, with its danger of multiple litigation, unless he has to.

The second restriction on which the Court is expected to pronounce is the German rule prohibiting brokers from helping German residents to place insurance abroad. Hardly a genuine consumer protection measure.

The third restriction concerns the requirement that only an insurer authorised and established in the country where the risk is situated may lead a co-insurance consortium. The high cost of establishment is likely to exclude foreign co-insurers from occasional leadership of local consortia. In Germany this practically excludes premium competition in large fire risks as it makes the foreign leader of a consortium subject to the disputed premium cartel.

This premium cartel is the subject of the appeal case (No 43/85), in which Advocate General Darmon recommended that the Commission's decision, denying clearance of the cartel, should be confirmed.

The Commission held that a recommendation of the association that its members should increase premiums for large fire risks (between 10 and 30 per cent) on old policies and submit to approval by a "tariff commission" all new business created a prohibited cartel.

The appeal follows, broadly speaking, two lines of argument: it denies that the competition rules of the EEC Treaty apply to insurance; and should the Court disagree, asserts that the increase of premiums was necessary in 1980 to ensure the solvency of insurers and in this way protect the insured. Any resulting restriction of competition was indispensable in the long-term interest of the economy and consumers; as such it should benefit from an exemption under Art. 85/3.

The argument that competition rules do not apply to insurance is based on Art. 87/2/c which provides that the Council should within three years make regulations "to define, if need be, in the various economic sectors, the extent to which the provisions of articles 85 and 86 are to apply." The Advocate General had no doubt that the absence of such regulations did not affect the direct applicability of the competition rules to insurance, for which no special exception is provided in the Treaty.

One may expect the Court, which recently held that air transport is subject to competition rules, to take the same view of insurance. In that case it will concentrate on the arguments that the disputed recommendation did not infringe the competition rules.

The argument that the recommendation to increase premiums was not mandatory will hardly hold water in view of the decision of Art. 85/3, approached the problem from a different angle. The premium consists of three parts, he said. One should cover the risk, the third the insurers' overheads, the third his profit. To safeguard the insurers from insolvency it would have been enough to relate the percentage increase only to the first two components of the premium. To relate it, as the recommendation did, to the entire premium, created additional profits for insurers who operated at lower costs. It would have been quite sufficient to increase the "net premium" (after exclusion of profit).

This is unlikely to convince the court if it is true that there were no profits and only losses in the period preceding the recommended increase. The Commission's view that the recommendation created a cartel falling under the general prohibition of Art. 85/1 seems likely to be confirmed. The denial of an exemption under Art. 85/3 seems less certain.

by about 50 per cent and no longer covered the total amount of claims. The fire insurance had to be subsidised by the profits of other insurance business. The disputed recommendation, adopted in 1980, was designed to stop the practice of treating fire insurance as a "loss leader."

German insurers argue that without establishing a minimum level of premiums, competition could lead to insolvencies and thus ultimately have a disastrous effect on the insured.

A better argument seems to be that this type of "loss leader" competition distorts the distribution of the insurance burden which, ideally, should be proportionate to the risk. The answer to this would probably be that, on balance, the insured enterprises are neither better nor worse off: what they lose on other types of insurance they have already gained on cheaper fire premiums. However, the premium structure becomes in this way confused, and its transparency, if any, is further diminished.

Advocate General Darmon, in confirming the Commission's view that the recommendation does not qualify for exemption under Art. 85/3, approached the problem from a different angle. The premium consists of three parts, he said. One should cover the risk, the third the insurers' overheads, the third his profit. To safeguard the insurers from insolvency it would have been enough to relate the percentage increase only to the first two components of the premium. To relate it, as the recommendation did, to the entire premium, created additional profits for insurers who operated at lower costs. It would have been quite sufficient to increase the "net premium" (after exclusion of profit).

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The real difficulty will be the economic evaluation of the purpose and effect of the recommendation. The German insurers used to keep premiums for large fire risks very low to attract industrial customers from whom they could expect other, more lucrative business. As a result of such competition for customers, the premium income from fire insurance fell between 1973 and 1978

A. H. Hermann

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Making the oil flow again.

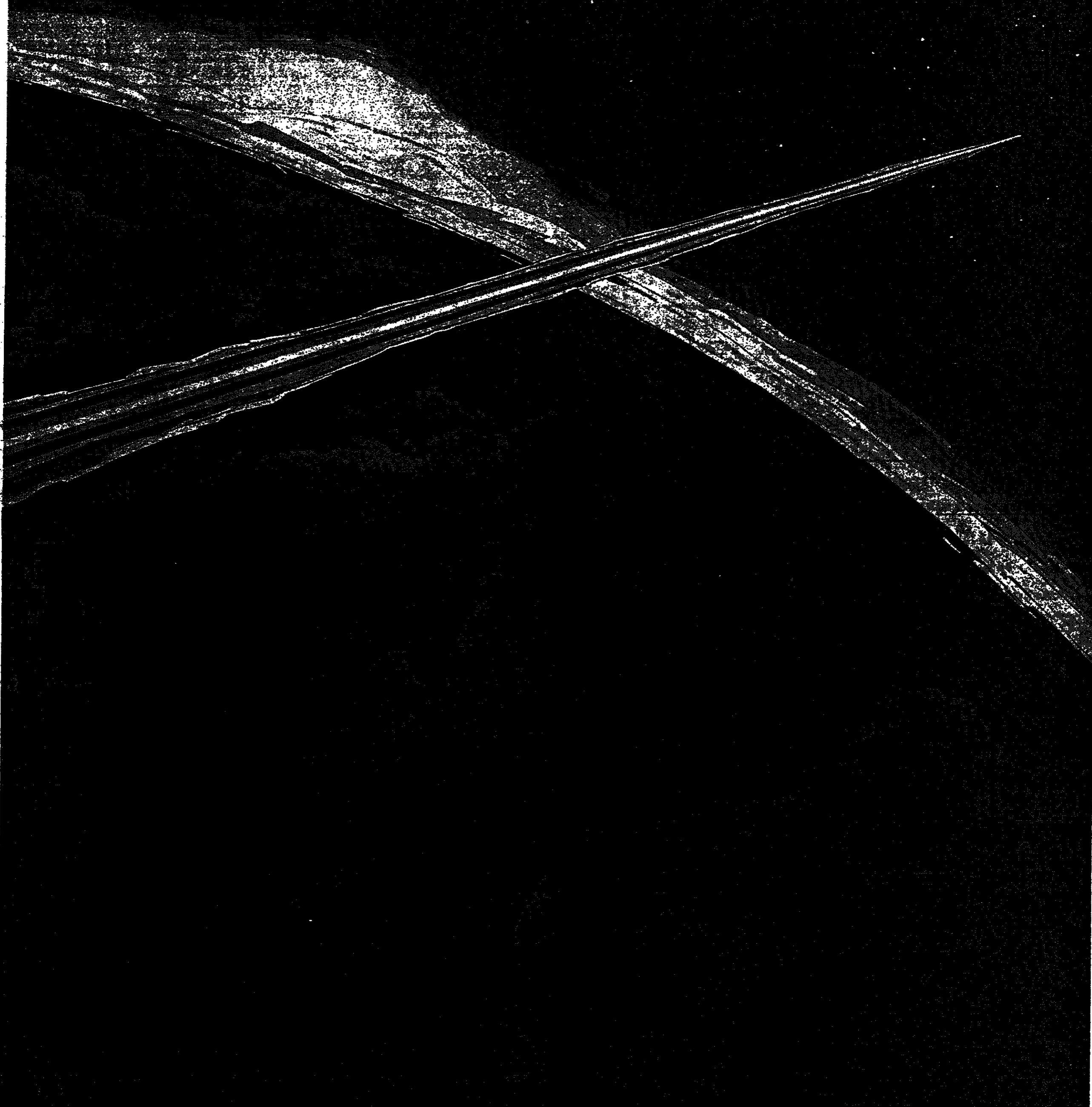
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GERMANY
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THE ARTS

Alcina/Los Angeles Opera

Timothy Pfaff

Reports of Frank Corsaro's production of Handel's Alcina...

demanded enough singers had to make subtle dramatic points...

The production, rebuilt for a proscenium stage and a larger playing area...

The other mishap in Los Angeles was that Clifford Bartlett's fine performing edition was abridged...

English Touring Opera/Kingston

Max Loppert

This little Midlands-based opera company is on a tour of 11 towns...

not a dawn scene at the Barrière d'Enfer. But the whole enterprise is justified by its veracity of scale and truthfulness of observation...

Royal Philharmonia/Festival Hall

David Murray

Even in a relatively unexciting programme, Murray's playing was a revelation...

polished precisely enough—that is to say, within the limits proper to that is after all big-

Saleroom/Antony Thorncroft

The carousel continues

THIS is proving the most remarkable week in the history of the art market...

Kid Ory centenary concert

One of the pioneers of jazz, the trombone player Kid Ory was born 100 years ago in New Orleans...



'La Méditerranée,' marble, by Aristide Maillol, and 'L'Olympia,' by Edouard Manet

Musée d'Orsay, Paris/William Packer

Turn of the century, a la Française

The new Musée d'Orsay in Paris, which was inaugurated by President Mitterrand on Monday...

Revolution and Bonaparte, begins instead in mid century with the Romantics and extends into the first decade or so of the 20th century to post-Impressionism...

pressionists were the great revolutionaries, rejecting the orthodoxies of the academy and the Salon to set modern art on its way...

herbe and the Olympia of Manet, and Degas and the young history painter. The sculpture too is set out here, on the central ramp...

swamped by the wonderful group portraits of Fantin Latour. Perhaps it really is the only one they have, poor things. Art Nouveau of course is rightly given a generous space...

Beauty and the Beast/Covent Garden

Clement Crisp

It can be stated with some confidence that Wayne Eagling played every theatrical trick in the book on Tuesday...

the audience asking for an end to things—Sir John Tooley told us that Anthony Dowell, playing the Beast, was injured, and that Jonathan Cope...

engrossing design by Jan Fienkowsk. Mr Eagling tells his little tale by fits and starts of theatrical trickery with the occasional intrusion of undistinguished choreography...

My sympathies, indeed, go to Beauty when, after the final transformation of the Beast, she finds herself in the arms of a conventional ballet prince...



Anthony Dowell and Maria Almeida

Menotti UK première

The British première of Gian Carlo Menotti's young people's opera The Boy Who Grew Too Fast will be at Sadler's Wells as part of a Menotti double bill from December 11-27.

Arts Guide

Exhibitions

BRUSSELS Ingres and Delacroix—Drawings and Watercolours. Palais des Beaux Arts. Ends Dec 21.

Les Prix de Rome: The exhibition consists of paintings which won the much-coveted prize in Rome for the laureates from 1797 to 1863.

ITALY Venice: Palazzo Ducale: China in Venice. Chinese Civilisation from the Han Dynasty to Mao's Pao (25-179 AD): 150 objects...

part of the celebration of the 18th century currently taking place in the seven Dutch museums. Ends Dec 7.

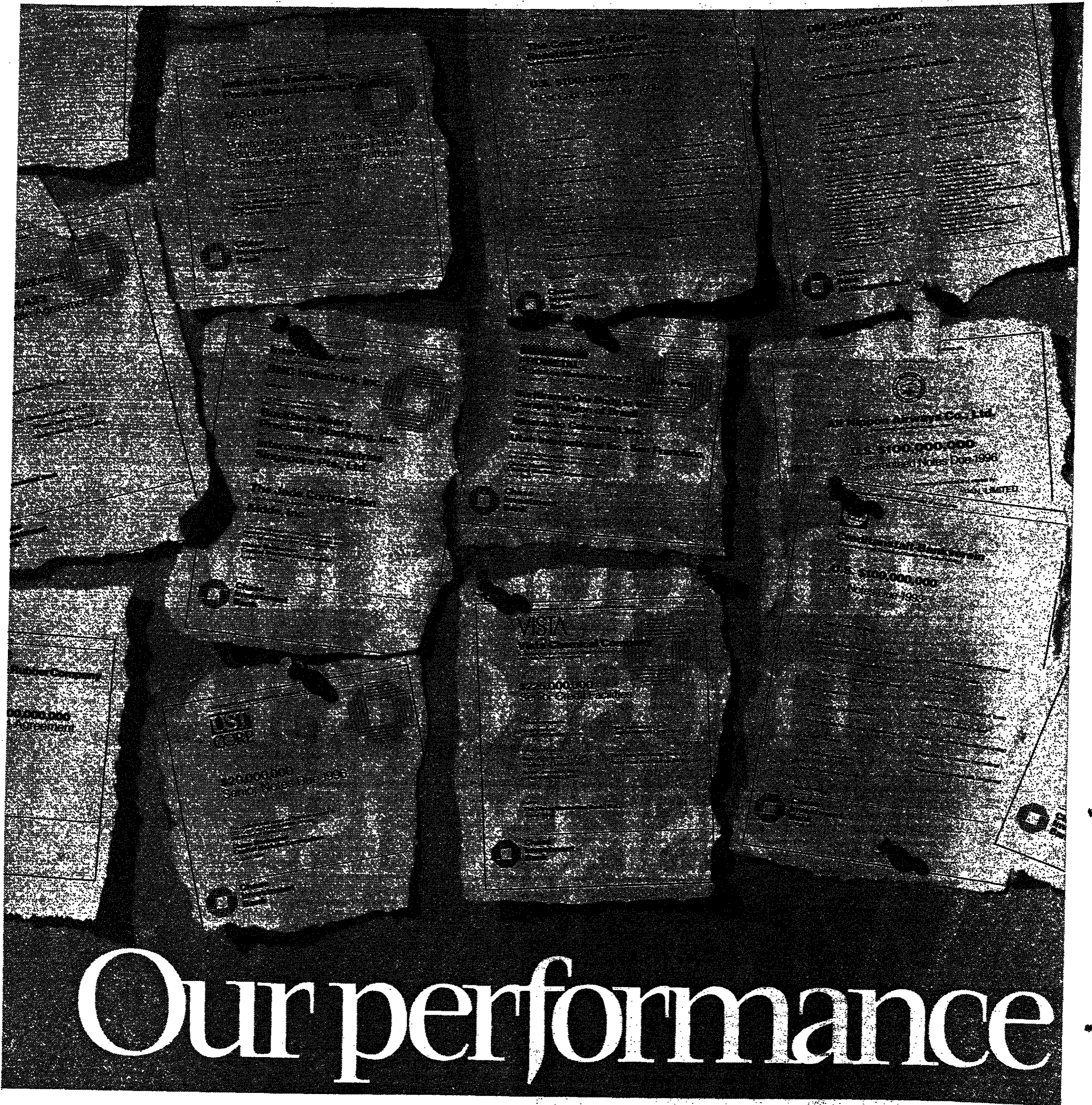
Barcelona: Amos Cahon Collection. Spanish Art in New York. A total of 76 paintings by 35 Spanish artists of the 1850-1870 period...

November 28-Dec 4

WASHINGTON National Gallery: Henri Matisse: The Early Years in Nice 1918-1930. Includes 170 paintings from the artist's life in the south of France...

NEW YORK Metropolitan Museum: 90 paintings from the end of Van Gogh's life as the focus of this second of a two-part show of the prolific artist at Saint-Rémy and Auvers.

SPAIN Madrid: Julio Gonzalez (1876-1942). Spanish cubist sculptor considered with Picasso the top exponent of this movement; 50 sculptures and 70 drawings on loan by the Iwan and Tania de Selys Longchamps...



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They speak for themselves.



ECONOMIC VIEWPOINT

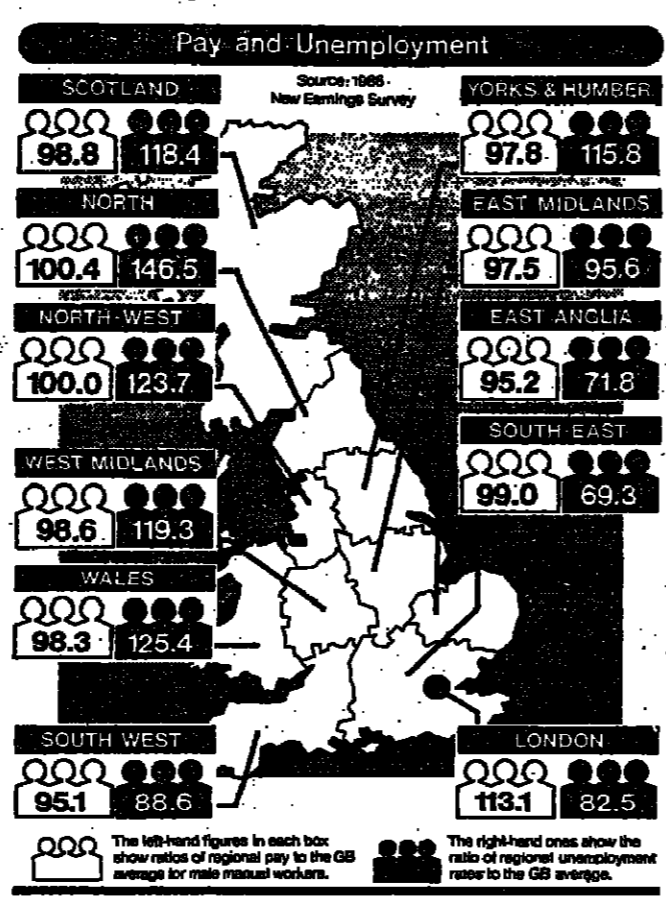
The fool's paradise on jobs

By Samuel Brittan

THERE IS a danger that British public discussion on jobs is entering a fool's paradise stage. The fall in unemployment being celebrated by ministers covers so far only three published months: August, September and October. The seasonally adjusted adult figure in October was still slightly higher than a year before. There have been so many false dawns on the jobs front that a longer run of data is required before one can say that unemployment is even probably on a falling trend.

The warning about a fool's paradise does not, however, depend merely or mainly on statistical caution. Even if unemployment continues to fall by 16,000 a month as it has done in the last quarter, strong reservations are still in order. Unemployment is being held back by at least three special factors:

- The growth in numbers covered by special schemes, especially Community Programmes and Job Restart.
• A slowdown in the demographic increase of the labour force.
• An above-trend growth in output reflecting devaluation as well as high consumer spending.



The left-hand figures in each box show rates of regional pay to the GS average for male manual workers. The right-hand ones show the ratio of regional unemployment rate to the GS average.

good. A period of above trend growth is, by definition, a precondition for making inroads into unemployment. But the current inflationary behaviour of wages provides no confidence for supposing that growth can continue above trend through-out 1987-1990; and we will be lucky to avoid a cyclical or policy-induced slowdown, which may appear superficially due to the benignness of payments of sterling, but will basically reflect the inflationary behaviour of the economy at even modestly lower rates of unemployment.

lective agreements completely determine pay. It is that they and many other forces—including the way too many employers think—lead to insufficient pay differentials on the ground.

The TUC presents a table showing that over 1980 to 1985 male earnings have risen faster than the national average in areas such as the South-East and more slowly in the North. The effect is much exaggerated by the bad habit of taking percentages of percentages.

The striking feature to me is how small the variations have been. Over the five years national earnings have risen by 54 per cent, earnings in the North by 49 per cent, in the unemployment-hit West Midlands by 52 per cent and in the whole South-East by 59 per cent.

The lack of an adequate relationship between unemployment and pay is brought out on the map which was not provided in the Government's own paper for NEDC. "London Allowance" or its private sector equivalent, is plainly there, which makes manual pay 13 per cent above the national average. The much larger London differential of 22 per cent for the less unskilled female non-manuals suggests the inadequacy of the male manual differential.

Lombard

The richest city on earth

By Michael Prowse

CHAN SAID goodbye to the family's latest British air-pair girl and hurried into the street, worried that he would be late for school. Westerners, he mused, as he strode towards the hover-bus that would whisk him into central Peking, were awful at languages. Diana, for example, was nearly 19 and yet could scarcely pronounce even the simplest Chinese words. Unless she improved, she would never get a serious job, not even in places like London or New York.

The boy was innocently unaware of his good fortune. He lived in a prosperous suburb of what was easily the richest city on earth. Chan's parents were well-to-do. His father managed a space-based engineering company and his mother was a government public relations adviser, helping to organise what was billed as the even of the century—China's "Great Exhibition." The year was 2050.

How did it all happen? That was the question Chan was determined to ask his teacher in school today. Why was China so rich and why were bankers always having to reschedule the debts of poor regions like Europe? He had recently been studying 20th century history. So far as he could make out, the United States had been the dominant economic power, at least until the disastrous Reagan presidency. China had been nowhere until the late 1980s, when certain reforms had put it on an electrifying growth path.

Arriving at school, Chan sat down at his desk and switched on his teacher. The computer brought about their own downfall by extending to us the trade barriers they had foolishly erected against Japan. Aso, don't forget the importance of that little mistake made by Karl Marx.

"Excellent, Chan," the teacher's electronic face beamed. "But remember that Europe and the US helped bring about their own downfall by extending to us the trade barriers they had foolishly erected against Japan. Aso, don't forget the importance of that little mistake made by Karl Marx. "He thought that capitalism was a stage that societies must pass through before true communism becomes possible. In fact, the reverse seems to be the case. A really successful market economy depends upon broad acceptance of its discipline. This requires great political maturity—an implicit acceptance both of the equality of human beings and of their individual insignificance. This is best fostered by a period of communism. It is hardly an accident that the Soviet Union is the world's number two economy. "Europe and the US only toyed with market forces in the 20th century. The system did not really command widespread support: everybody—from politicians to businessmen—was out to subvert it in the name of 'special interests.'" "But in China," interjected Chan excitedly, "the Market really is king." "Precisely," beamed the computer.

A few pence difference

From the Chairman, Hanson Trust. Sir—Lord Benson makes some interesting points as reported in your article "A tilt at the shortsighted British institutions" (December 3).

Pension schemes and surpluses

From Mr R. Malone. Sir—The references to pensions in your paper are so thick and fast at present that it is difficult to try to jump in and comment upon some of the misconceptions that seem to me to be in evidence. May I, however, refer to just three of the points recently raised.

Letters to the Editor

The question is whether it is wise corporate practice for current surpluses, certainly temporary in nature and often contentious in origin, to be committed to making further long-term commitments which they may well end up having to back away from when circumstances change.

Change in Russia

From the Editor, Soviet Weekly. Sir—As your editorial of November 20 correctly notes, reforms in running the Soviet economy so far announced are only a first step. We still have many problems—high-tech equipment and machinery take too long to reach the production line, the quality of products is improving too slowly and little progress has been made in the service sector.

Definitions of leadership

From Mr J. Nicholls. Sir—Congratulations on your coverage of leadership training (November 24). As you point out, the field is broad and confusing—Bennis and Nanus could have gone well beyond 350 definitions of leadership!

Payment on time

From Mr D. H. Broome. Sir—Mr Baber (November 29) was right to point out the managerial shortcomings of smaller firms, and it is also true that the Forum of Small Businesses and similar bodies owe their prominence more to the fact that they are telling the Government what it wants to hear rather than to any pretence that they represent the million plus firms in this category.

Pinned down

From Mr M. Smith. Sir—Can readers suggest what the Secretary of State for Energy might now do with 6m plus? Martin B. Smith, 4 Farm Close, Holcot, Northants.

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The following are a selection of the General Appointments that appeared yesterday:

- Strategic Financial Planning
- Ambitious Young Investment Analyst
- Opportunity in Investment
- Entrée to Eurobonds
- Chief Executive Europe
- Director of Corporate Banking
- Supervisor Investment Administration
- Spot Foreign Exchange Dealer
- Trainee Stockbroker
- Head of Bond Sales
- International Marketing
- Sterling Money Market Dealer

FINANCIAL TIMES
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Heir apparent at Wang

BY LOUISE KENOE IN SAN FRANCISCO

THE ELECTION announced lately of Mr Frederick A. Wang as president of Wang Laboratories, the Massachusetts-based manufacturer of office automation equipment, appears to ensure that the 35-year-old Mr Wang will eventually head the company founded by his father, Dr An Wang, 66, who for the time being remains chairman and chief executive.

"All things being equal, my children should be more highly motivated than a professional manager because of their substantial stake in ownership of the company," Dr Wang said in his recently published autobiography.

Mr Wang, in his new position, will add responsibility for sales and marketing to his previous charges of manufacturing and research and development. He remains treasurer of the company. His appointment is seen as an attempt to regain a sense of stability at Wang Laboratories. Over the past 18 months



Dr An Wang (left), chairman and chief executive of Wang Laboratories, and Mr Frederick A. Wang, his apparent eventual successor to the top post.

the company has lost several senior executives, including the former company president, Mr John Cunningham, who resigned in July, 1985, after 18

years as the company was poised to report its first ever quarterly loss, of \$108m, after a stock write-off of \$157m, on sales of \$635.2m.

SEC picks New York regional head

THE SECURITIES and Exchange Commission has appointed Ms Kathleen A. Warwick, a former corporate securities counsel for Mobil Corporation, the US oil company, head of its New York regional office, reports AP-DJ from Washington.

She succeeds Mr Ira L. Sorkin, who resigned his post on September 30, to return to private law practice. Ms Warwick, who is currently a consultant for Mobil and a lawyer in private practice, is expected to join the SEC staff shortly after the turn of the

year. Ms Warwick was Mobil's corporate securities counsel from 1975 until March, 1986. Prior to that, she had been associated with the law firm of Cadwalader, Wickersham and Taft from 1960. Before that she was a member of the SEC's New York regional office staff.

Presidential change at Bell Canada

By Robert Gibbins in Montreal

MR ROBERT J. RICHARDSON is retiring early from his position as president of Bell Canada Enterprises, the eastern Canada telecommunications, equipment, energy and real estate group, to pursue other interests.

His successor is Mr Raymond Cyr, president of the regulated telephone subsidiary, Bell Canada.

Mr Richardson was a vice-president finance at Du Pont, the diversified US chemicals group, in which Seagram, the Canadian distiller, has a stake of over 22 per cent, when he returned to Canada about five years ago to help the then Bell Canada diversify out of telecommunications. The company has since acquired effective control of TransCanada Pipelines, the Canadian gas pipeline-based concern, and has bought a major real estate developer, Daon, based in Vancouver.

Switch at American Home Products

AMERICAN HOME PRODUCTS Corporation, the US drugs, foods and household products group, has appointed Dr John R. Stafford, 49—its president—to the additional posts of chairman and chief executive. He succeeds, in the new roles, Mr W. Culligan, 70,

Chairman's role for Union Carbide chief

UNION CARBIDE Corporation has elected Mr Robert D. Kennedy, 54, chairman, and Mr J. Clayton Stephenson, also 54, vice chairman.

Mr Kennedy retains his position as president and chief executive officer, and Mr Stephenson continues as chief financial and administrative officer. Mr Kennedy succeeds Mr Warren M. Anderson, who has retired as chairman on reaching the corporation's mandatory retirement age of 65 after 41 years with the corporation.

SUN COMPANY, the US domestic integrated oil concern,

based in Pennsylvania, has appointed Mr Robert P Hauptfuhrer president and chief operating officer, with effect from January 1, reports AP-DJ from Radnor.

Mr Hauptfuhrer, 55, moves from being vice president exploration and production to succeed Mr Robert McClements, Jr, 58, who is to be chairman on the turn of the year taking over from Mr Theodore A. Burtis, 64, who is to retire from the post. Mr McClements will continue as chief executive.

Mr Hauptfuhrer joins Sun's board on January 1, while Mr Burtis is to remain on the board.

RJR Nabisco elects new finance chief

MR EDWARD J. ROBINSON, 46, has been elected senior vice president, finance, and chief financial officer of RJR Nabisco, the international consumer products concern with headquarters in North Carolina.

Mr Robinson takes over in the new post from Mr Gwain H. Gillespie, 55, executive vice president, finance and administration, and chief financial officer. Mr Gillespie has resigned from RJR Nabisco and the board of directors to pursue

other opportunities. Mr Robinson moves from Nabisco Brands, part of the group, where he had been senior vice president, finance, and chief financial officer.

Mr Joseph Hardiman, managing director and chief operating officer of Alex. Brown and Sons, has been elected chairman of the National Association of Securities Dealers (NASD) board of governors for 1987, reports Reuter

Accountancy Appointments

Finance Director

Walkersteel

Lancashire c£25-28,000 + Car

Our client, The Walker Group of Companies, is the largest steel stockholding group in the UK, with a combined turnover of c£400m. The Group's impressive headquarters at Blackburn is the largest steel stockholding centre in Europe.

A Finance Director is required to take overall financial control of Walkersteel, a £175m 'to division' of the group. The responsibilities of this newly-created position will encompass all the financial/management reporting, data processing, company secretarial and treasury functions within the division, together with significant involvement in the overall management and strategy of the business.

Candidates, aged 35-40, should be qualified accountants with a strong technical accounting background gained in a large company environment, together with highly developed interpersonal skills, communicative ability and commercial awareness.

Relocation facilities are available where appropriate, and interested applicants should write to Alan Dickinson, ACMA, stating current duties and employment package, quoting ref 7055, at Michael Page Partnership, Clarendon House, 81 Molesey Street, Manchester M2 3LQ (Tel: 061-228 0396).

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Candidates, likely to be aged 30-35 will be suitably qualified Accountants, who are self-starters and problem solvers and who can demonstrate commercial flair and experience gained in a high profile position in a fast moving environment. Knowledge of sophisticated computer systems, planning general business acumen and interpersonal skills are essential qualities. There is real potential for career development within this exciting group.

Interested candidates with maturity and charisma who meet these demanding criteria should send a detailed CV, including current salary, to Don Day FCA quoting reference LM35 at Spicer and Pegler Associates, Friary Court, 65 Courched Friars, London EC3N 2NP.

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For a detailed and confidential discussion and to avoid Xmas postal delays, call Neil Wenz, on 01-387 5400 (out of hours on 0923 43033) or write to:—

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Royal College of Surgeons of England
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Tel: (01) 405 3474 ext. 4

To whom applications must be sent by 5 January 1987
Please quote reference no. 45/86

Finance Director

Salary to £20K + car Plymouth

Interlube Systems Limited, a light engineering company within the substantial and fast growing Siebe group, has a turnover of approximately £5m and employs some 200 employees. The company is the market leader in the manufacture of automatic lubrication systems for industrial machinery and commercial vehicle applications. As a result of an internal promotion, the company is now seeking a Chartered Accountant for the position of Finance Director.

Reporting to the Managing Director, the successful candidate will be responsible for control of the entire accounts function and will be called on to play a full part in developing strategies for the further profitable growth of the organisation.

Candidates should have a manufacturing background and be capable of producing and interpreting information to tight time schedules.

We can offer relocation assistance, where appropriate, and excellent prospects for career progression. So, if you feel you have the professional and personal attributes required for this position, please send a full CV to: David Mason, Personnel Manager, Interlube Systems Limited, Estover Road, Estover, Plymouth, Devon, PL6 7PS.

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Financial Director

East Midlands around £25,000 plus bonus

The company was created to provide a national storage and distribution service to the grocery trade, to supply contract vehicles and to develop a commercial transport business, and has grown dramatically in its first 18 months. Next year's plan is to double turnover and profitability with foot hard down and no speed limits.

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Candidates, male or female, qualified accountants age early 30s to around 40, must be well proven senior financial managers from industry or commerce with considerable DP experience. Distribution industry background is not essential; the ability to exercise control over a fast-spreading, multi-unit business dependent on service and quick response certainly is. A clear head and a cool nerve will help; total commitment is essential.

Salary negotiable around £25,000 plus bonus and car; other benefits include share option prospect, private health insurance, relocation help if needed.

Please send career details — in confidence — to D. A. Ravenscroft.

Ravenscroft & Partners
Search and Selection
20 Albert Square, Manchester M2 5PE

Accountancy Appointments

FINANCIAL CONTROLLER INTERNATIONAL BANKING

Arabian Gulf to \$80,000 p.a. plus benefits

Our client is a leading bank in the lower Gulf whose operations cover both retail and commercial banking as well as trade financing and treasury from a network of both local and overseas branches.

As head of the finance function the financial controller occupies a key position and will be expected to make a significant contribution to the management of the business. Primary responsibility is for the direction and control of the substantial finance and EDP functions. Specific areas of activity will include profitability analyses, financial reporting, budgeting and forecasting in addition to the development of accounting policies and EDP strategy.

Candidates will be qualified accountants with international banking experience at a senior level; the preferred age range is 35 to 45. Proven management skills are essential and previous experience of the Middle East would be advantageous.

The remuneration package is highly attractive and, in addition to the basic salary, there is a venal bonus, free accommodation, first class return air fares, 45 days leave per annum, generous local allowances and medical cover.

In the first instance please send full career details to Mike Gostick at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Quoting Ref. F/616/G.

EW Ernst & Whinney

BANK TREASURER
c. £17,000
—past-qualified accountant
—experience of B.O.E. returns
—experience of Forex dealings
Apply in confidence with full C.V. to:

The Recruitment Manager,
ODCL Services Ltd.,
5th Floor,
9 Cavendish Square,
London W1M 0DD.

Appointments Advertising

£41 per single column centimetre and £15 per line
Premium positions will be charged £40 per single column centimetre
For further information, call:

Louise Hamer
01-245 4804

Jane Liveridge
01-245 4805

Daniel Berry
01-245 4762

Corporate Finance Analyst Central London to £40k + benefits

Our client is one of Europe's leading private groups. Aggressive acquisitions and dynamic organic growth have established a £1 billion turnover group operating in financial services, real estate and other commercial areas, in the UK, the Continent and the US.

The position of Corporate Finance Analyst has been established as a key role in the company's continuing successful acquisition-driven development. Liaising with the Chief Executive and Main Board you will be part of a multi-discipline team of four, playing a key role in the continuation of the company's successful development. You will be a graduate and professionally qualified accountant in your late twenties or early thirties with several years' relevant experience gained at a senior level in a financial institution or bank.

concentrating on the analysis and evaluation of acquisitions. Your analytical skills will be a key part in your success in this entrepreneurial environment and will require resilience, flair and tact. You will already have achieved rapid promotion and a high level of responsibility but you probably feel that your current employer is not developing as rapidly as you are and you are looking for a more testing environment.

Career and salary prospects are clearly limited only by your own ability and commitment. Interested applicants should write to Geoffrey Rutland ACA, ATII, Executive Division, enclosing a comprehensive C.V. and daytime telephone number, quoting reference 373 at 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Financial Controller

Rural Yorkshire
c£18,000 + car

Our client, an expanding food processing subsidiary of a major group with a turnover approaching £50 million, now wishes to strengthen its senior management team through the appointment of a financial controller. Reporting directly to the managing director, the successful candidate will be expected to make a major contribution towards improving the company's trading performance and to show commercial flair in the continuing development of the business.

Responsibilities will include

managing a team engaged in both financial and management accounting activities, providing and interpreting relevant and timely management information and reviewing and enhancing where appropriate the company's computer systems.

Candidates should be qualified accountants with sound technical and commercial ability and should have gained relevant experience in the manufacturing or food processing industries. The successful applicant will be self-motivated, with the ability to

become an active member of the management team.

The company is situated in a very attractive part of Yorkshire and the remuneration package, which will be negotiable, will include a car and other benefits including relocation expenses where applicable.

Candidates should write enclosing a full cv to:
Alan Wittrick
Executive Selection Division
Price Waterhouse
Management Consultants
9 Bond Court
Leeds LS1 2SN

Price Waterhouse

SALARIED PARTNER — WEST COUNTRY

ACA's 28-35

c.£22,500

Our client is a major independent West Country firm of chartered accountants which has enjoyed rapid growth combined with a modern and cost effective approach to client advisory work. It has an urgent need to recruit a general practice salaried partner to run a new office.

Candidates (male or female) should ideally have good academic and professional backgrounds with a strong emphasis on small client general practice work. In addition, candidates should demonstrate proven staff management abilities and have the personal and professional attributes to take on immediate partner responsibility.

Prospects to full equity participation exist in the short term (3 years).

For more information, please contact George Ormrod B.A. (Oxon) or Stephen Hackett B.A. (Oxon) on 01-836 9501 or write with your C.V. to Douglas Llammbias Associates Limited at our London office quoting reference number 7294.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
162a Bath Street, Glasgow G2 4SQ. Tel: 041-226 3101
India Buildings, Water Street, Liverpool L2 0RA. Tel: 051-227 1412
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1853

**DOUGLAS
LLAMBIAS**

Douglas Llammbias Associates Limited
Accountancy & Management
Recruitment Consultants



Financial Analyst

North London circa £22,500 + car

Excellent career prospects couple with immediate challenge within this well established British Plc. A market leader, with many famous consumer durable brand names, it is anticipating growth following major reorganisation and the adoption of a positive marketing philosophy.

This organic growth demands increased quality of information and control with accompanying evaluation and action.

Because the role embraces involvement in management decision making the most appropriate candidates will have already gained commercial experience within the larger company environment; a graduate, qualified

accountant is essential and an MBA or similar business degree would be very relevant.

The Group as a whole is seeking to raise the already high calibre of its recruits to ensure future success in home and international markets.

For this particular opportunity candidates under 35 would be preferred, although there is an element of flexibility.

Please send full career and personal details to John Overton FCA MCCI, at Overton Management Selection, 3 Berkeley Square, London W1X 5HG, or telephone 01-408 1401 for an application form, quoting reference 10/1178/FT.



APPLICATIONS ARE WELCOME
FROM MEN AND WOMEN

Financial Analysis Managers

West of London to £24,000 + car

This market leading food company, with a UK-wide operation of factories and depots, is part of one of Europe's largest and most progressive organisations.

The recently-appointed Finance Director is restructuring and strengthening the head office management team. This creates two high-visibility opportunities for experienced Financial Analysts to be responsible for financial control and in-depth examination of specified areas to achieve improved profitability.

Specialising in either manufacturing and engineering or customer servicing and distribution, you will be involved in developing strategic and financial objectives; drawing up plans for business development; participating in budget planning and control; and working with, and on behalf of, line managers to identify and implement

control systems.

Candidates, aged 27-35, must be qualified graduate accountants or MBAs with a background in financial planning and analysis and a track record of multidiscipline cost savings gained in an fmcg environment. Excellent communication and influencing skills and a diplomatic yet strong and challenging personality will be vital.

Career progression in mainstream accounting or into line management is excellent within the group. The salary is negotiable and a good range of benefits, including relocation assistance if needed, is provided.

Please send full cv which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: R2161/FT.

PA Advertising

Hyde Park House, 66a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

GROUP FINANCIAL CONTROLLER

Herts

Around £30K plus car

Our client is market leader in the manufacture and distribution of high quality materials for interior decoration. Turnover is currently around £35m and the Group is growing both organically and by acquisition.

Reporting to the Assistant Managing Director, this is the senior financial position in the Group. The person appointed will immediately take responsibility for all financial and management accounting, cash forecasting, Group budgeting and taxation matters.

Also, the job holder will be closely involved in computerised accounting systems and procedures. The Group is currently updating its management information systems, using the latest technology and fourth generation computers.

You must be a Chartered Accountant, preferably with large firm training, and with a track record which shows a

mature and commonsense approach to controlling medium-sized companies. You must be able to work comfortably in a Group which is marketing driven and which has manufacturing units. Aged between 35 and 45, you should be able to demonstrate qualities of personal presence and people management which will quickly gain respect both inside and outside the Group.

The position is located at the Group's head office, which is ideally placed by a main line station and a junction of the M25. The remuneration package is negotiable but will carry the normal range of benefits commensurate with one of the Group's most important executives.

Please write to Keith McNeish (quoting Ref:551) showing how you meet the above criteria and enclosing a copy of your CV.

cc&p

CC & P International Limited
26/28 Bedford Row London WC1R 4HF

CONTROLLER OF FINANCE

London

£30,000 + car

A leading and fast growing firm of solicitors based in Central London requires an experienced accountant to take total responsibility for the firm's accounting function in London and supervising responsibility for accounting in offices in America and the Far East.

Reporting to the Director of Administration, the Controller of Finance will:-

- implement Partners' financial policy,
- prepare business plans and budgets,
- participate in planning and implementation of enhanced financial and management accounting systems;
- direct, motivate and control the Accounts Department management and staff.

Candidates should be Chartered Accountants about 35 years of age with the ability to operate effectively at all levels of the partnership. Their career should have included a period as a senior financial executive in a similar environment.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2731 to B. G. Levy, Executive Selection Division.

Touche Ross

The Business Partners

881 House, 1 Little New Street, London EC4A 3TR. Tel: 01-553 8011.

Financial Accountant

C. £17,000

City

Young expanding City-based futures broker actively engaged in all areas of the futures markets is currently engaged on a programme of expansion into other financial service areas.

The expansion stems from an aggressive acquisition policy coupled with organic growth. This has created the need for more sophisticated management reporting systems. As a consequence, the company is seeking to recruit a Financial Accountant to report to the Financial Director, who will take responsibility for development of new management information systems as well as all aspects of management and statutory accounting. In addition, there will be involvement in the implementation of systems in other companies recently acquired by the group, a major US agricultural produce company who are currently planning expansion in the UK.

The successful applicant will be a newly qualified graduate ACA/ACMA aged 23-28, with a good examination record. A knowledge of the futures industry would be an advantage, although is not essential. Of more importance are initiative, leadership, sound commercial awareness and the ability to communicate at a senior level.

Please write with a CV to:

R. M. Hudson, Finance Director

REINOLD LIMITED

Plantation House, Mincing Lane, London EC3N 3DX

Accountancy Appointments

Finance Director

Mediterranean Negotiable Package c.£35k + Accommodation

This business has unique properties and problems and will present a stimulating challenge to a broadly experienced qualified accountant with substantial line management experience of support functions. Proven skills covering the spectrum of Finance, Information Technology and Human Resources management will be vital to work on the range of issues involved.

The client has strong technical skills, modern plant and equipment and an excellent geographic position for access to its world markets. Achievement of the ambitious growth objectives established are realistic for this sector of the heavy engineering industry.

An upgraded computerised management information system is being installed by the Company. It is addressing the need for the introduction of a wide range of related procedures and financial management disciplines to raise quality and efficiency to levels necessary for expansion in a competitive international market. Appointment of an experienced Finance Director to manage the changes necessary is a key part of the Board's strategic planning.

Candidates under the age of 32 are unlikely to be sufficiently experienced to perform effectively as an expatriate in this demanding environment. An ability to demonstrate a successful management career in a multi-national and multi-lingual environment would be advantageous.

If you are achievement orientated, please forward in confidence your CV, details of present salary package and daytime telephone number to Peter T. Willingham, reference LM32 at Spicer and Pegler Associates, Executive Selection, International Division, Fidelity Court, 65 Cranched Fiazs, London EC3N 2NR. No details will be released to our client without your prior permission.



Spicer and Pegler Associates
Management Services

INTERNAL AUDITOR A varied role in a thriving energy company

£18k-£21k

- Total Experience
- Total Commitment
- Total Today

Total Oil Marine is a prestigious energy company and has already made a significant impact upon the economy supplying around 40% of the UK's natural gas requirements. We're pushing ahead with plans to develop the Alwyn North oil and gas field, and looking at ways to improve efficiency as our operation expands.

As we established our Audit Department just 18 months ago, and are still expanding its scope, this is a very good time to join us. Conducting audits on all aspects of the company's operations, including joint venture associates and contractors, will give you wide ranging auditing experience and a thorough knowledge of the way we operate - both excellent advantages, when looking for promotion.

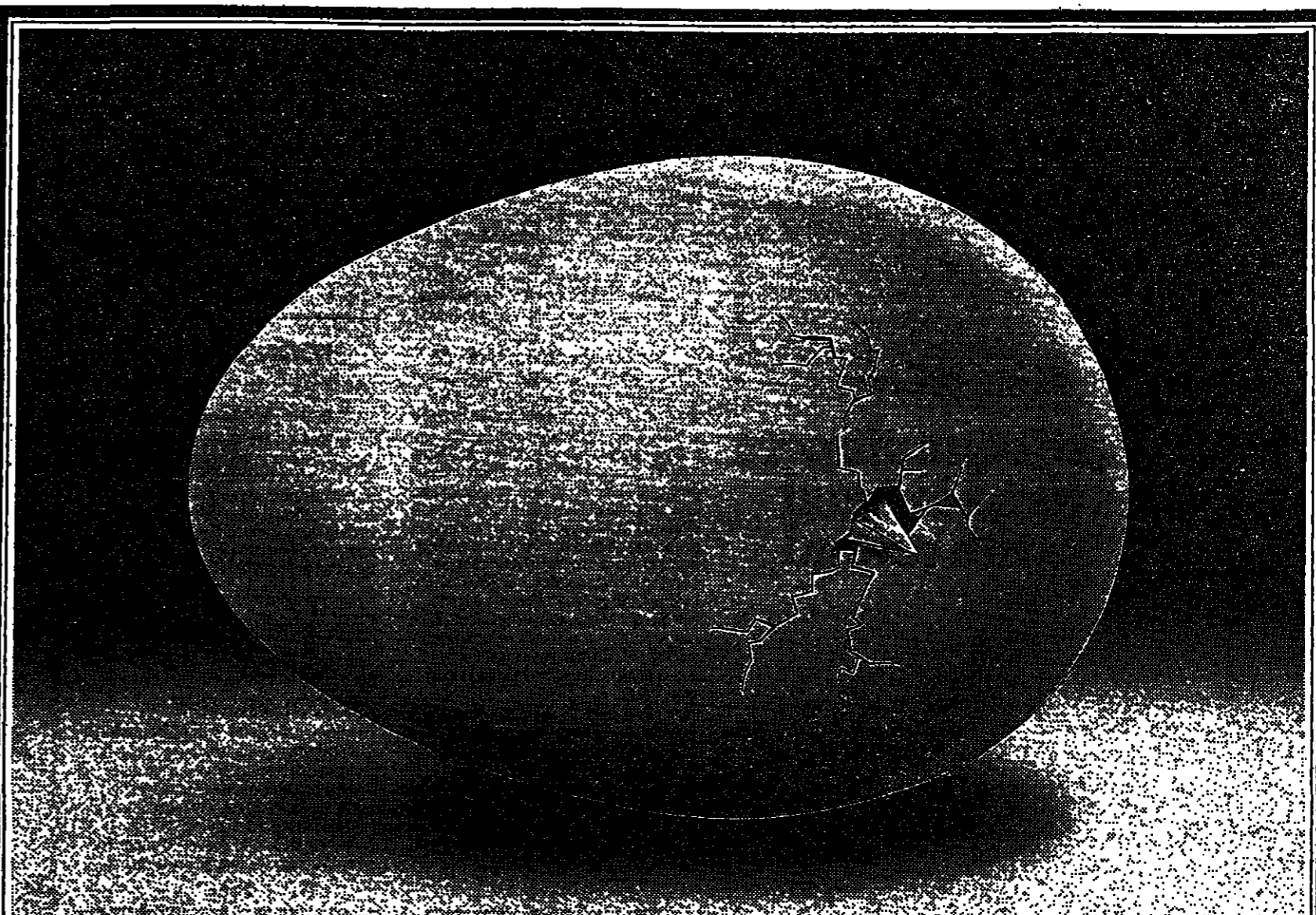
A qualified Accountant, you'll be used to working in a commercial environment, and have a broad knowledge of computer based systems. You're confident and adept at dealing with all types of people, and know instinctively when to make your point and when to hold your peace. Making recommendations to senior management will give you ample opportunity to impress them with your ideas.

You'll start on a salary of £18-21,000, including year-end bonus, and receive a package of benefits amongst which are BUPA membership, contributory pension scheme and life assurance. Some travel to our offices in Scotland, France and Norway will be involved.

Apply, now, by sending a detailed c.v. to Rod Eames at the Personnel Department, Total Oil Marine plc, Berkeley Square House, Berkeley Square, London W1X 6LT. Alternatively, write or phone 01-499 6080 for an application form.



Broadening Horizons ■



Things could really start coming to life after Big Bang.

Price Waterhouse management consultants have been deeply involved in assisting firms in the financial sector to prepare for Big Bang. Now we are responding to heavy demands for assistance in the increasingly competitive aftermath.

If you are a qualified accountant aged between 27 and 35, able to demonstrate a good track record in banking or financial services and you are looking for a different direction in your career, take a good look at Price Waterhouse.

Management consultancy with us could be just the challenge - and the change - you need.

Our services in this sector address the key areas where financial institutions require practical advice and support in managing change, in meeting immediate needs as well as the strategic challenges for the future.

The nature of our work is varied, complex and intellectually demanding and we are now seeking high calibre accountants to augment our well established specialist team of professionals, which services the UK and wider European market.

Our requirements are for a thorough understanding and proven capability, in one or more of the following areas:

- Risk management, including detailed knowledge of lending, securities and related instruments, such as eurobonds, equities, gilts, futures, options and swaps.
- Treasury management, including funding, liquidity management, cash flow forecasting and transfer pricing.
- Financial control, including profitability measurement and reporting systems development.
- Front office and back office dealing and control systems design and implementation.

If you are interested in a career as a management consultant, offering a substantial remuneration package and the opportunity for rapid career progression based on merit, here's your next move:

Simply write in confidence, with relevant information, (quoting MCS 8420) to Michele Deverall at Price Waterhouse, Management Consultants, No. 1 London Bridge, London SE1 9QL.

Price Waterhouse



ACCOUNTANTS FOR CONSULTANCY

We are a rapidly expanding consultancy firm in the field of Telecommunications and seek additional staff to work on varied overseas and UK assignments.

Ideally you will be a qualified accountant with experience in the implementation of financial and management systems. Telecommunication experience would be a distinct advantage.

We offer very competitive salaries and benefits with exceptional scope for career progression.

Interested? Then write to:-

Personnel Manager
MG TELECOMMUNICATIONS
Provincial House, 26 Albion Street
Leeds LS1 6HX

CHIEF ACCOUNTANT & COMPANY SECRETARY (Finance Director Designate)

Up to £20,000 + Car, BUPA & Contributory Pension Scheme

The Engineering Division of a large UK based multinational plc wishes to appoint a qualified accountant as Chief Accountant and Company Secretary of one of its operating subsidiaries, based in West London. The company turnover £20m per annum, is profitable and well established as design and suppliers of industrial, commercial and marine plant and equipment to UK and overseas markets and has significant growth potential.

Reporting directly to the Managing Director, the appointee will be responsible for all financial, administrative and company secretarial functions. The ongoing development of computer based systems will necessitate data processing experience.

The successful candidate will be a qualified accountant with a proven track record of achievement in a demanding environment, commercial flair, together with the ability to perform under pressure are equally important. The postholder should be capable of progressing to Board level in the short term. Further career prospects are good.

Apply in writing to:
The Managing Director
THE LIGHTFOOT REFRIGERATION CO LTD
Sonsfield Way, South Ruislip
Middlesex HA4 6DA

Finance Director

Financial Services Group
c.£37,500 + substantial benefits
Based Bristol

This is an opportunity for a young qualified accountant to join the top team of an expanding established financial services plc.

Your prime responsibilities will be: achievement of profit goals by the strategic and day-to-day management of financial resources; ensuring that the full range of management controls and financial reports, both statutory and company, are in operation; production of statutory accounts; managing the company's relationships with its bankers.

Ideally in your early 30's it is essential that you have around 5 years' post qualified experience, operated in more than one culture, have commercial experience and possess well developed man management skills.

This is not an 'ivory tower' position and to be considered you will need to be able to demonstrate high achievement levels, hands-on practicality, drive and the ability to inspire subordinates to meet challenging and demanding goals.

The extensive range of executive benefits include car, substantial profit share potential and, if appropriate, generous relocation assistance.

Please write with full personal details to John Woodger, ref. B.44077.

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MSL International
Executive Search and Selection

TREASURY MANAGER

Age: Mid 30s up to £40,000 + car
West London

Our client, a UK multi-national company with a turnover exceeding £3 billions, is seeking to appoint an experienced treasury professional to build up and manage its newly formed Treasury Department and to develop its systems and personnel capabilities and its standing and influence throughout the group. The position reports to the Group Treasurer whose responsibilities include Group Tax affairs and who is seeking to delegate day-to-day running of the Treasury Department to the Treasury Manager.

The successful candidate, probably aged mid 30s, will be a qualified accountant and possibly a member of the Association of Corporate Treasurers. He or she will need to demonstrate both personal maturity and substantial treasury management experience in sizeable international groups, since the Treasury Manager will develop relationships with all levels of management of subsidiary companies and central functions many of whom will not be familiar with treasury techniques. The successful implementation of treasury policies will be due, in no small part, to the Treasury Manager's ability to sell treasury services throughout the group through a well run, professional department.

The Treasury Department is based in West London and an element of UK and overseas travel will be necessary although in the early stages the development of the department will be a priority.

Remuneration will be negotiable up to £40,000 plus a car and other valuable benefits.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref: 2732 to W.L. Tait, Executive Selection Division

Touche Ross

The Business Partners
Hill House, 1 Little New Street, London EC4A 3TR
Telephone: 01-353 8011.

Accountancy Appointments



Where commitment goes hand in hand with reward

NFC National Freight Consortium
A Unique Partnership

The National Freight Consortium is Britain's biggest and most diverse freight transport, storage and distribution company with substantial property and travel activities and rapidly expanding interests throughout the UK and overseas.

We are also a unique industrial partnership. NFC - which includes such famous companies as Pickfords, BRS and National Carriers - is Europe's largest employee-owned business. Our story has been one of extraordinary growth and continued success... proving that employee ownership and professional management is a powerful combination indeed. Motivation is woven into every fibre of the Group.

At the Bedford Head Office - the hub of a 25,000 employee organisation (two thirds of whom own shares) - we are strengthening our corporate Finance and Audit Departments with young professionals who possess the ambition and the potential to make rapid strides and, quite literally, share in our success. Our aim is to groom talented individuals who will, in the future, take advantage of the scope offered by over 50 operating companies in around 700 locations earning a revenue of over £700 million. In short, the people who will become our Senior Managers of the future. With our record of growth (we're investing in excess of £100m a year right now), those prospects will be sooner rather than later.

Your contribution will be matched by the rewards. In addition to the salaries, our package includes a profit related bonus of up to 30%, an excellent pension scheme, a profit sharing scheme, relocation expenses and, of course, the opportunity to acquire shares in our successful business. It's an opportunity to invest in your own talent...

Are you ready to join a unique partnership? If so, please write with full details to: Mrs Anne Yeomans, Senior Personnel Officer, National Freight Consortium, The Merton Centre, 45 St. Peters Street, Bedford MK40 2UB, or telephone her on (0234) 272222.

Finance Manager (Bedford)

c.£25,000 + car + benefits package
An experienced qualified accountant possessing a high level of technical and analytical skills and a good practical knowledge of computerised M.I.S. You must be accustomed to and thrive upon meeting strict deadlines and be a good communicator. Through a staff of twelve you will obtain, review and provide management information in respect of NFC's total UK operations.

Corporate Audit

c.£15,000 + car + benefits package
We're seeking professionally trained men and women who see Audit as a route into line or financial management. Some business experience outside the audit function is desirable. You will be visiting our locations throughout UK, and your office base will be either Bedford or Manchester.

Recently or nearly qualified Accountants

(Bedford) c.£15,000 + benefits package
Two bright, confident young professionals to undertake a range of ad hoc projects often within operating companies. If you have experience of computerised accounting, good reporting skills and the will to succeed, a rapid career route is open to you.

Creating Quality

Quality is the principle on which our company was founded. Today we create, install and enhance the best software systems for the most demanding clients throughout the UK. And for this reason we only employ the best people. Professionals able to meet the challenges and opportunities of a clearly defined management path.

Our Finance Division closely supports our operations. And the following opportunities, calculated to utilise and develop your skills with us, are very special.

Divisional Accountant - up to £20K

Reporting to the Divisional Controller. In this distinctly hands-on role, you will work closely with the Account Managers where your financial skills and advice will be crucial in forecasting, budgeting, analysing and investigating business building projects. In-depth understanding of business needs will influence such work. Plus the strength of character to push your ideas through to successful conclusion.

Management Accountant - up to £20K

Reporting to the Financial Controller. This is no job for the theoretician. Responsibility for driving the forecasting and budgeting processes of Data Logic, and providing senior management with a comprehensive overview of the Company's progress, is a task for a pro-active professional. You won't be intimidated by this high-profile, demanding position. Your cool analytical approach will enable you to ensure that guidelines are always met. In short, you'll exert considerable influence within the group.

For both positions we're looking for a graduate, qualified ICMA or ACCA and probably 25-30. You must have used spreadsheets and micros. Ideally, you'll have worked in a systems house environment. But you must be an ambitious, self-motivating individual to join our team.

We offer salaries in the range up to £20K, with company cars and a full range of high-status benefits. More importantly you can look forward to excellent career prospects in a company which is fast establishing itself as a leading UK systems house. Get closer to the decisions that count. Apply, with a full C.V., to Lynn White, Data Logic Ltd, Queens House, Greenhill Way, Harrow HA1 1YR. Tel: 01-863 0383.

Data Logic

A Raytheon Company



Finance Director



Mid Wales

Twelve months on from its successful flotation, our Client Laura Ashley PLC, continues to expand and is in the midst of an intensive investment programme. They seek a Finance Director for their Product Division, which is responsible for manufacturing and distributing in the UK, Europe and USA the garments/merchandise that are "key" to the unique brand image of the Company.

The role, reporting to the Divisional Managing Director, encompasses: * The provision of all statutory and management information * The development of all financial systems * Strategic/corporate planning * Budgetary control/forecasting * Multi-currency cash management * together with operational involvement in re-equipment programmes, stock levels,

£Neg + Executive Car

new factory requirements and distribution policies. With self accounting plants in the UK, Eire, Holland and the USA plus the problems of sourcing/distributing in many different countries you must be prepared to travel and cope with differing local practices/fiscal regulations within the framework of an international corporate reporting system. You must be a Qualified Accountant, have a proven track record (preferably in textiles/manufacturing) and possess the communication skills to result in a results orientated environment.

Please contact Adrian Wheale ACMA, ACIS, Executive Division at Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

European Internal Audit

Weybridge, Surrey

£20,000 package

Norton is a diversified worldwide manufacturer of abrasives and engineering materials serving a broad range of industries. With a turnover in excess of \$1100 million this US company has a European operation covering ten countries.

The small audit team is responsible for performing financial, operational and computer audits of Norton subsidiary companies throughout Europe as well as providing assistance to the company's external auditors. Special projects of an 'ad hoc' nature may also be performed.

A staff auditor with at least five years practical audit experience is sought to undertake a post involving very extensive European travel. Applicants must be professionally qualified preferably with a university degree and MBA or equivalent and be fluent in German or French.

Interested candidates should contact Chris Sale on 01-831 2000 or write to him at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
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RECRUITMENT CONSULTANTS

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Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501



FINANCIAL CONTROLLER

CITY OF LONDON

£20,000-£25,000 + bonus + Car

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Our clients invite applications from graduate Accountants, aged 26-33, with at least 2 years' post-qualification experience in a leading accountancy firm working with insurance/reinsurance clients, or a similar period within the insurance industry. Experience in the development of computer-based statistical systems and the monitoring of reinsurance programmes is highly desirable. This is a new position and the successful candidate will be responsible for monitoring and reporting on underwriting performance of the Agency's Syndicates to control expenses, premium written, reinsurance programmes and assessment of reserves for outstanding claims. He/she will work closely with the Underwriters and senior Agency management and must be highly professional, a good communicator and able to influence management decisions based on the accurate analysis of figures. Initial salary negotiable £20,000-£25,000 + bonus + car, contributory pension, free life insurance, mortgage interest assistance, free PPP. Applications in strict confidence, under reference FC 18475/FT, will be forwarded unopened to our client unless they are included in a list of companies to which they should not be sent in a covering letter addressed to the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Group Secretary/ Controller

E. Midlands

£25-30,000 + car

Our client is a rapidly growing and highly profitable PLC whose turnover exceeds £40m. Its success is founded on the superb quality of its products, the strength of its management team and the commitment of its personnel.

As a result of continued expansion they require a Group Secretary/Controller to manage the central reporting and company secretarial functions. In addition, stress for further development could include taxation, cash management and acquisition studies.

Applicants may well be Chartered Accountants, in the age range 35-50, who have considerable commercial

experience in a Group role. They will offer a broad range of skills including strong technical awareness, good communication and staff management ability.

In addition to a highly competitive remuneration package, our client offers assistance with relocation to this pleasant part of the country.

Please send a detailed C.V. to Terry Lewis, Moxon Dolphin & Kerby Ltd, 178-202 Great Portland Street, London W1N 6JJ, quoting reference:

4448. Please state in a covering letter any Companies to whom your application should not be sent.

MOXON DOLPHIN & KERBY LTD EXECUTIVE SEARCH & SELECTION

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For further information, call:

Louise Hunter
01-248 4864

Jane Liversidge
01-248 5205

Daniel Berry
01-248 4782

Group Chief Accountant

London c £20,000 + bonus + car

Our client is an expanding group in the ladieswear manufacturing and wholesaling industry.

They seek to recruit a mature accountant with a proven ability in business administration and a high level of computer literacy. Likely to be in the age range 35-45, the successful candidate will take responsibility for the whole finance and administration function.

Applications giving full personal and career details should be submitted quoting reference SHA.854 to David Marks ACA, at Stoy Hayward Associates, Management Consultants, Executive Recruitment Division, 8 Baker Street, London W1M 1DA.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS
A member of Horwath & Horwath International

FINANCE DIRECTOR

(Designate)

£25,000-£30,000 + Car

N.W. London

Our client is a long-established and internationally-recognised group of freight forwarders whose turnover is in excess of £20m. The Group is strongly positioned within its own market area and is continually seeking to expand its operational base both by organic growth and acquisition. A Finance Director is currently required to be responsible for all aspects of the Group's financial affairs. As a key member of the management team, the Finance Director will be expected to contribute significantly to the operational performance and development of the Group as well as having total responsibility for the finance function and its 25 staff.

Candidates should be Chartered Accountants, preferably in the 35-40 age range, with broad-based accounting and commercial experience as well as having the ability to demonstrate sound financial management. Although not essential, experience within the freight forwarding industry would be an advantage.

Interested applicants should write to Financial Search & Selection enclosing a comprehensive curriculum vitae and quoting Reference 6111.

FINANCIAL SEARCH & SELECTION
Financial Recruitment Consultancy
P.O. Box 8, Cranbrook, Kent TN18 4EN

FINANCIAL CONTROLLER

City

£30,000 plus car

Sentinel Life plc, a wholly-owned subsidiary of Aitken Hume International plc seeks a Financial Controller to become a key member of its Executive Management Team at its Head Office in E.C.1. Established in 1904 as a conventional life office it is now implementing an ambitious 5-year plan. In the light of this expansion, the Company now seeks a Financial Controller who will report directly to the Managing Director, with functional responsibility to the Group Financial Controller. The position carries responsibility for overall financial control, management information, cash flow and treasury matters. The successful candidate will be a qualified accountant having of unit-linked life insurance is required. Please write in confidence enclosing a full C.V. to:



The Managing Director,
Sentinel Life plc,
2 Eyre Street Hill,
London, EC1R 5AE.
Tel: 01-278 4488

Accountancy Appointments

Divisional Financial Director

Consumer Goods

Northern Home Counties

c.£33,000 + car & benefits

This major Division of a successful PLC has a turnover exceeding £50m, and is engaged in manufacturing and distribution. Operating autonomously, its trade names are well known and respected.

The Director, an important member of the Division's senior management team, will work closely with the Chief Executive; there is also complete responsibility for the finance function. A prime task is to improve stock and cash management by systems development and better operational communication with line managers.

Candidates will be widely experienced Qualified Accountants who are technically strong, and who have broad business backgrounds. Experience in a diversified

business would be a plus. Above average personal and communication skills are essential.

Please reply to Barry Underwood in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1685/FT on both envelope and letter.

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Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

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For further information, call:

Louise Hunter 01-248 4864

Jane Liversidge 01-248 5205

Daniel Berry 01-248 4782

Financial Planning and Control

West End

to £26,000 + car

Our client is a major international group with operating subsidiaries in the UK and Europe, Africa, Australia and the United States and turnover of around £400 million. It is a market leader in its field of specialist services and has a consistent record of profitable growth.

Reporting to the Finance Director, you will join a small team at corporate headquarters responsible for financial planning and control. Your role will be to provide an analytical and critical assessment of the plans and operating performance of the group's subsidiaries. You will have a close working relationship with subsidiary company chairmen and senior executives, who are based in the UK and overseas. You will also be involved in 'ad hoc' projects, both financial and non financial, for members of the Board and in acquisition studies. There will be some overseas travel.

In your mid to late 20s, you will be a qualified accountant or business graduate with proven ability in financial analysis and appraisal and with a thorough appreciation of the corporate planning function. You could still be in the profession or alternatively in consultancy or at the headquarters of a diversified group. The opportunities for career and salary progression are excellent and there are generous fringe benefits.

Please write in confidence to John Cameron, quoting ref. CF725, at 84/86 Crays Inn Road, London WC1X 8AE (telephone: 01-404 5971).

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A career with a dynamic future

Accounting Development Manager

Central London

c. £25,000 + car

Exceptional ability and expertise are required for this key central role within the Logica Finance function.

Reporting to the Head of Planning & Development, the principal objective will be to develop and implement procedures and specifications for major new accounting and management information systems throughout this International Group.

You will work closely with the Financial Controllers and Chief Executives of the operating companies to provide improved methods for the efficient and accurate generation of management information within the subsidiaries. This will allow greater local control over profit and asset management.

As well as developing new financial systems and procedures throughout the Group, the Accounting Development Manager will ensure the integrity and consistency of locally produced systems. This will involve close liaison with the operating units and the identification and implementation of additional management controls.

Probably aged 30+, you will be an ambitious, degree-qualified ACMA or ACA with a proven track record of successful achievement at a senior level.

In this strongly technology-oriented business, you will also have well developed analysis and communications skills and be expected to make an immediate contribution to the company.

This position is a rare and challenging opportunity to join one of the most successful companies in this exciting business area which offers considerable scope for individual career development.

The competitive salary and total package will reflect the calibre and importance of this appointment. Relocation assistance will be given where appropriate.

Please either ring for an application form or write with full CV to Mary Crowley, Personnel Officer, Logica plc, 64 Newnam Street, London W1A 4SB. Telephone 01-637 9111 ext. 2344.

About Logica

Logica is the largest UK based independent computer software company. With an historic growth rate of 30% p.a., current turnover of £27 million and over 2,500 staff, the group is expanding its Finance function both at the centre and in its subsidiaries in order to meet the challenge of further growth in this exciting business sector.

We have a wide base of clients from diverse markets which include:

- Finance
- Post & telecommunications
- Broadcasting & media
- Defence
- Central & local government
- Energy & utilities
- Space
- Manufacturing & retail
- Transport
- Computing & electronics

logica

CINEMA INTERNATIONAL CORPORATION



International Tax Manager

West London

c£23,000 + Benefits

A market leader in the entertainment field, with a turnover in excess of £100M, our client is young and dynamic with a forward thinking sophisticated approach to the leisure industry. As part of their continued expansion they are seeking to appoint an international tax manager within its UK based service organisation.

Assisting the International Tax Director the successful applicant will be involved in varied and challenging international tax work.

He or she will be a qualified chartered accountant, with a minimum of two years' corporate tax experience gained in a major international firm. In addition he

or she will possess good interpersonal skills and will have a strong academic background.

This is an excellent opportunity for an ambitious young tax specialist making their first move into the international tax arena where they will rapidly gain valuable experience and enjoy an attractive remuneration package.

Interested candidates should contact Jayne Thomas on 01-631 2000 (evenings and weekends 01-341 9885) or write to her enclosing a c.v., quoting reference 9003 at the Taxation Division, 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

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Ambitious Young Accountant

East Midlands
£20,000 + car + benefits

This major engineering concern produces specialised transportation equipment for UK and overseas markets. The company has a multi million pound turnover and several UK locations.

Recent policy changes have created an exciting opportunity for a young accountant, responsible to the Finance Director for the effective management of the company's liquid assets and the development of in-house treasury services. The role will involve extensive contact with all levels of management,

and with bankers, outside professional advisers and financial institutions.

Applicants will probably be qualified accountants or treasurers, but part qualified personnel with treasury management experience should also apply. Knowledge of export finance and of Government and EEC funding. Ideally gained in an engineering environment, is desirable. Important personal attributes include enthusiasm, maturity and the inter personal skills to deal with a wide range of contacts. Preferred age 28-35.

This is an interesting career opportunity in a large organisation undergoing significant change. Conditions of service are good and relocation assistance is available. Please write in confidence with career details, age and current salary quoting reference number MCS/2000 to Geoff Firmin, Executive Selection Division Price Waterhouse Urwick Management Consultants Victoria House 76 Milton Street Nottingham NG1 3QY

Price Waterhouse Urwick

Financial Control

c.£25,000 + car + banking benefits

This is an ideal opportunity for an ambitious qualified accountant to join a major US bank and move into the fast expanding world of international private banking. With offices throughout Europe, an impressive list of high net worth clients, and over 600 staff in the private banking division, our client is already a key player and poised for an exciting period of dynamic growth.

You will report to the Divisional Financial Controller and be responsible for co-ordinating all financial control activities for Europe, the Middle East and Africa including the timely preparation of financial information, results analysis, budgetary control, and the development of accounting policies and procedures.

Liaising closely with your counterparts in London, Zurich and New York, you will be encouraged to take on more responsibility with a view to promotion in the short term.

Aged 27-35, you must have at least two years' post-qualification experience gained in a banking, financial services or audit environment.

Based in the West End, your remuneration will include a negotiable salary around £25,000, car, interest-free season-ticket loan, non-contributory pension scheme, mortgage and personal loan facilities.

In apply, please send a detailed cv, indicating current salary, or telephone for an application form to Barbara Lord, Ref: 1181/BL/FT.



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£11,750 pa

The Financial Times Newspaper is looking for an Assistant Management Accountant aged between 22 and 27 years. He/she will join a small team of management accountants involved with the preparation of monthly management accounts, forecasts and budgets and the provision of other management information.

Ideally, you will have worked in an accounting environment and will be at the part-qualified stage of a formal accounting qualification. You should have had some previous experience of computers including basic financial modelling. The work will involve assistance with annual accounts preparation and analysis work.

Please apply with full curriculum vitae to:

The Personnel Manager
The Financial Times Ltd
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The London Residuary Body, which has taken on some of the responsibilities of the Greater London Council, has an internally managed Superannuation Fund with a current market value of some £1.2 billion.

To assist the management team in this key area, the postholder will be responsible for the investment administration, accounting and financial management activities of the Investment Section and will ensure that the Fund complies with the provisions of the Financial Services Act 1986 as appropriate.

She/he should be a fully qualified accountant with practical experience of financial management or possess equivalent experience, in particular the organisation of financial administration including manual and computerised accounting information systems and the practical application of financial control and monitoring requirements. Further information from the Fund Manager or Deputy Fund Manager (Tel: 01-633 7317 or 6500).

Application form and full job specification from LRB Personnel, PE/A/SD1, Room 319, County Hall, SE1 (Tel: 01-633 1647). Closing date 16 December 1986

Management Opportunity Operational Audit

Central Southern England c£23,000 + Co. car

Our client, a multi-national high technology corporation, is a world leader in defence and telecommunication systems.

The corporate audit unit has a wide ranging responsibility to the Finance Committee of the Board which is headed by the Chairman of the company to report on the quality and sufficiency of business control systems.

Successful candidates, who should be qualified accountants, will be working in a very stimulating environment with senior colleagues from a variety of disciplines on a wide range of projects. In addition to at least 2 years' senior auditing experience in the profession or the

internal unit of a major corporation candidates should be able to demonstrate successful line management responsibility for a finance department because this appointment is expected to lead to a senior line position in one of the subsidiary companies. Periodic overseas travel is envisaged. A large company benefits package is included and there is an attractive relocation package where appropriate.

In the first instance, contact Bruce Crammond on 01-631 4184 or write to: A&A Consultants (Holding) Limited, (Management & Recruitment Consultants), County House, 10 Little Portland Street, London W1N 5DF.



Accountancy Appointments

Senior Financial Appointments In A Multi-National Context.

A highly successful British company with a multi-million pound turn-over and an enviable position in the Times 100, our client is seeking to employ a number of accomplished specialists in Treasury, Project Finance, Investments and the Property Market. These appointments can be seen as a measure of their confidence in their current success, and in their future growth over a wide range of corporate interests.

Property Finance Manager £30-£40K

An attractive senior opportunity in the Clients Commercial Property Division for an ambitious graduate or accountant aged 25 to 35 with relevant experience and a thorough understanding of existing and emerging methods of financing major property development and ownership.

You will be responsible to the Managing Director of the Property Division working closely with development directors and surveyors in the early stages. This will involve advising on and promoting their Development programme and keeping a close dialogue with the funds and the international banking institutions to assemble the most favourable finance package for each project. Ref 208/JF/86.

Assistant Treasurer - Banking £30-£40K

Probably a member of A.C.T. and certainly with several years' experience with a major multi-national corporation, this background will have enabled you to gain a thorough understanding of money markets - particularly in Europe and North America. You are therefore ideally equipped to assume responsibility for all their day to day money market activities, and to advise on new products as they develop and project finance proposals. Ref 209/JF/86.

Assistant Treasurer - Projects £30-£40K

With several years' general financing experience - which includes 2-3 years in project financing - your experience could have been gained in the banking sector or perhaps with a progressive industrial corporation. An MBA would be an

advantage. Your background will enable you to assume responsibility for co-ordinating, advising on and developing all their project financing activities, investigating new financing techniques, maintaining and improving bank contacts and advising on general finance. Ref 210/JF/86.

Assistant to Group Investment Adviser £20-£25K

This position carries two main responsibilities. As the Secretary of the Investment Management company you'll be preparing reports on companies for the Group Chief Executive, preparing agenda, board papers and minutes for monthly meetings and reviewing stockbrokers' circulars.

You will also be closely involved in managing pension funds that have more than doubled in the past four years and which are currently of the order of £180 million. More specifically you will monitor cash positions, negotiate money deposits, deal with and report on Combined Actuarial Performance reviews, assess underwriting proposals and, in the long term, develop a reliable instinct for all aspects of suitable investment markets.

This adds up to an interesting and challenging opportunity for a qualified accountant (probably aged 25-35) who has not only the experience in most, if not all, of the above areas - but has also the ambition and ability to assume greater responsibilities. Ref 211/JF/86.

In addition to the attractive salaries quoted there will be an impressive range of benefits which will reflect our client's international status and their appreciation of the contribution you are expected to make within this fast growing corporate environment.

In the first instance, please send your CV, quoting the appropriate reference, to John Faith, at Austin Knight Selection, 17 St Helen's Place, London EC3A 6AS or telephone him on 01-628 5021 (01-256 6925 evenings/weekends) for an initial discussion.

**Austin
Knight
Selection**

Divisional Finance Director London to £35K + benefits

Our client, part of a rapidly growing public group in the service sector, is an autonomous and expanding Division of companies with interests in the UK and Europe. The Division's turnover currently approaches £10m. Future growth plans could include new developments both in the UK and overseas.

As part of a re-organisation, there is now a requirement for a Finance Director to join the Divisional Board, who, with overall responsibility for the finance function, will play an active role in determining future strategy and continued profitable development of the Division's businesses. Initial priorities will include the reorganisation of the accounting function and improvement of existing management information systems to meet the demands of a fast moving business.



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Financial Controller Information Systems

Berkshire

to £25,000 + Car

Our client is the UK subsidiary of a British hi-tech public company. Through a network of regional offices they provide the sales and support functions for the distribution of its office automation systems. The company is also responsible for the manufacture of systems for both UK and overseas markets.

As a result of internal promotion they now seek a Financial Controller to head up the accounting function. Working closely with the Managing Director you will be responsible for the production of management information, budgeting, planning and forecasting, annual accounts and ad hoc project work.

Candidates should be qualified accountants with an excellent track record in manufacturing financial management and possess a strong personal presence, commercial awareness and well developed communicative skills.

The company offers an attractive package which reflects the seniority of this key management position.

Interested applicants should write enclosing a comprehensive curriculum vitae to Stephen Doyle ACA at Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor SL4 1BG quoting reference SV 1049.



Michael Page Partnership

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London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
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FINANCIAL CONTROLLER

c£40,000 + benefits

City

TSB England & Wales plc is part of the fastest moving banking group in Britain. The rapid development of the Bank necessitates the appointment of a Financial Controller.

Reporting to the General Manager Finance, the Financial Controller will be required to control and develop major aspects of the finance function including:

- Financial Accounts
- Treasury Accounting
- Budgetary Control and Monitoring
- Financial Planning, Analysis and Evaluation
- Management Information Systems

As a member of the Senior Management Team, the Financial Controller will have considerable scope in helping to shape the Bank's strategic policy. The job will be demanding and entails responsibility for about 90 staff

qualified accountant who can demonstrate considerable management experience and strengths in all aspects of accounting, financial control, planning and analysis. It is unlikely that a person less than 40 years of age will satisfy these requirements.

The package for this senior post comprises basic salary circa £40,000, plus non contributory pension, profit sharing scheme, attractive mortgage subsidy, status car, and other banking benefits. Applicants will be considered alongside internal candidates.

If you feel you possess the necessary experience, qualifications and personal skills, then write enclosing a full curriculum vitae, including details of present remuneration, to:

H. B. Nichol, Personnel Controller,
TSB England & Wales plc,
Administration Centre,
100 Lower Thames Street,
London EC3R 6AO.
to arrive not later than 16th December 1986.



The successful candidate will be a

Finance Director

Wholesale Distribution

c. £35,000 + car

Following the stimulus of a management buy-out, our client, an aggressive marketing-orientated company and leader in its distributive field, plans to continue the substantial growth achieved since its formation in the mid-70's - turnover currently c. £60 million.

This appointment is to the group board and the main objectives will be taking the lead in financial negotiations with banks and city institutions to prepare the ground for possible flotation and to play a major role in the acquisition programme. Consequently prospective candidates must be able to demonstrate relevant experience which may have been gained through financial consultancy, with a financial institution or in a senior corporate finance role. It is unlikely that candidates under 30 years of age and currently earning less than £28,000 will have the necessary experience for this position.

Reporting to the Chief Executive, the person appointed will be joining a dynamic young team, flexible and innovative in its approach and optimistic about the future. Prospects are excellent and should include building an equity stake. Relocation expenses are available to the West Yorkshire base. To apply, please telephone us in confidence as consultants to the company, quoting Reference 322/FT. (24 hour answering service).



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However, before we tell you more, we'd like to know why you think you're special. So please write to Graham Comfort at the address below, including details of your career to date and your salary history; quoting reference 2729.

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Kensington House, 136 Suffolk Street, Queensway, Birmingham B1 1LL
Telephone: 021-643 4488.

CHIEF ACCOUNTANT

Building Society - Derbyshire
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The Derbyshire is one of the largest regional societies in the country with assets approaching £700 million and a spread of nearly 60 branches covering the Midlands and Northern counties.

Reporting directly to the General Manager - Finance, the successful applicant will be responsible for the day to day operations of the Society's accountancy function. As a senior manager, he or she will be required to make a major contribution to the further enhancement of existing accounting systems, the preparation of monthly and final accounts, corporate taxation, budgetary control, forecasting and financial modelling. The Society currently has dualled ICL 2966 mainframes supporting counter based terminals in all branches. The Society is a member of FTS Ltd, and contributes 11 A.T.M.'s to the Link Network.

Applicants should be Chartered Accountants (or equivalent qualification), aged 30-40 years, and be able to demonstrate a record of high achievement in their careers. Good communication and staff management skills are essential.

Our Head Office is located in rural surroundings five miles north of Derby. In addition to a competitive salary within the range indicated and a car, we can offer a staff mortgage scheme, BUPA membership and a first class working environment.

If you feel that you have the commitment and drive to succeed in this position, please write direct to Peter McMillan, Personnel & Administration Manager, marked "Chief Accountant - Confidential", enclosing a full c.v. including present salary details. Derbyshire Building Society, P.O. Box No. 1, Duffield Hall, Duffield, Derby DE5 1AG. Telephone 0332 841791.

The Derbyshire Building Society

FINANCIAL SERVICE COMPANY

Qualified Chartered Accountant

A privately-owned financial service company located in the West End of London offers the opportunity to a qualified Chartered Accountant to manage the financial accounting, taxation and company secretarial affairs of a wide variety of client companies. Reporting to the Financial Director, the successful candidate will be between 30 and 35 years of age and with at least three years' post-qualification experience. He or she will form part of a small professional team but will need to be able to work on his or her own initiative. The successful candidate will have had a progressive career to date including experience of financial accounting for substantial companies together with a good working knowledge of corporation tax law and practice.

A competitive salary will be paid and in addition there will be a generous benefits package. Applicants are asked to write with full curriculum vitae in strict confidence to:

Box A0346, Financial Times
10 Cannon Street, London EC4P 4BY

NOMURA FOR INTEGRATED FINANCIAL SERVICES Innovative · Flexible · Global



Alsthom takes control of Schneider rail business

BY PAUL BETTS IN PARIS

ALSTHOM, the heavy engineering group controlled by France's nationalised Compagnie Générale d'Electricité (CGE), is to take over at the beginning of next year the railway equipment business of Jeumont-Schneider, one of the main industrial units of the private Schneider group and Alsthom's main French rival in the rail sector.

Calgary airline buys Canadian Pacific unit

BY BERNARD SIMON IN TORONTO

PACIFIC WESTERN Airlines of Calgary is set to become an important force in international aviation with the acquisition of Vancouver-based Canadian Pacific Airlines, Canada's largest privately-owned air carrier.

Pechiney trims aluminium operation

By Our Paris Staff

PECHINEY has announced a restructuring plan for its domestic aluminium and ferro-alloy operations designed to save the nationalised French aluminium and metal fabrication group FFf 600m (\$93m) a year.

Li Ka-Shing to acquire 52% stake in Husky Oil of Calgary

BY BERNARD SIMON IN TORONTO

MR LI KA-SHING, the Hong Kong property tycoon, and companies under his control are to acquire a 52 per cent shareholding in Husky Oil of Calgary, one of Canada's leading integrated energy producers.

Credit Lyonnais boosts capital

By George Graham in Paris

CREDIT LYONNAIS yesterday launched a FFf 1.5bn (\$24bn) perpetual floating rate loan on the French domestic market. The move aims to build up the group's capital resources in readiness for privatisation and for the regime of banking reserve ratios which will be applied in France from January 1.

Link-up plan at Texas Instruments

By Louise Kehoe in San Francisco

TEXAS INSTRUMENTS, the largest US semiconductor manufacturer, aims to set up alliances and co-operative agreements with leading electronics companies and other semiconductor manufacturers, particularly in the US and Europe, and to strengthen its operations in South East Asia.

Nordic shippers near decision on joint plan

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

THE LEADING Scandinavian shipping companies are expected to decide in the next few weeks about whether to press ahead with ambitious plans to pool their liner shipping operations in a common management company.

Aegon shows flat profits in third quarter

By Our Financial Staff

AEGON, the second largest Dutch insurance group after Nationale Nederlanden, reports flat third quarter profits but says earnings for 1986 as a whole will show an improvement.

THE EXPORT-IMPORT BANK OF KOREA U.S.\$100,000,000 Floating Rate Notes due 1995

Gist and Shell discuss chemical joint venture

Bertelsmann International Finance Limited N.V. U.S. \$ 200,000,000 8% Bonds of 1986/1993

VINTOIL S.A. Notice of Meeting

Italian unit trusts suffer lowest intake of the year

Table of financial institutions: ALGEMENE BANK NEDERLAND N.V., BARING BROTHERS & CO., BERLINER HANDELS- UND FRANKFURTER BANK, CREDIT LYONNAIS, DRESNER BANK, LLOYDS MERCHANT BANK, PRUDENTIAL-BACHE SECURITIES INTERNATIONAL, SWISS BANK CORPORATION INTERNATIONAL LIMITED, VEREINS- UND WESTBANK, BANQUE INTERNATIONALE A LUXEMBOURG S.A., BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK, CHASE INVESTMENT BANK, CREDIT SUISSE FIRST BOSTON, DSL BANK, DEUTSCHE SHIEDLUNGS- UND LANDESRENTENBANK, MORGAN GUARANTY LTD, SALOMON BROTHERS INTERNATIONAL, SWISS VOLKSBANK, S.G. WARBURG, AKROYD, ROWE & PITMAN, MULLENS SECURITIES LTD., BANQUE NATIONALE DE PARIS, BAYERISCHE VEREINSBANK, CREDITANSTALT-BANKVEREIN, DG BANK, DEUTSCHE GENOSSENSCHAFTSBANK, GENERALE BANK, NORDDEUTSCHE LANDESBANK GIROZENTRALE, SOCIETE GENERALE, UNION BANK OF SWITZERLAND (SECURITIES) LIMITED, WESTDEUTSCHE LANDESBANK GIROZENTRALE

INTERNATIONAL COMPANIES and FINANCE

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Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

December 1986

Gencor reduces six-month dividends

By Kenneth Marston, in London

THE Gencor group of South African gold companies have announced half yearly dividends that are generally lower than a year ago. Beatrix Mines is an exception with a 1986 final of 50 cents (11 US cents) which makes a total for the year of 65 cents. There was a maiden payment of 15 cents for 1985. Grootvlei's final is raised to 105 cents but, following the reduced interim, the 1986 total has fallen to 165 cents from 180 cents for last year. Marievale also reduced its interim earlier this year and the unchanged final now announced of 35 cents makes a 1986 total of 60 cents against 70 cents.

MCI to take \$700m write-off

BY WILLIAM HALL IN NEW YORK

MCI COMMUNICATIONS, the fast growing telecommunications group which is challenging the giant AT&T's dominance in the long distance telephone market, is to take a pre-tax charge of up to \$700m to cover a major consolidation of its activities. The write-off is part of a series of moves designed to enhance operating efficiencies, strengthen future profit margins and enable the second biggest long-distance telephone carrier in the US "to compete more effectively." The company, which has been expanding rapidly in a bid to win new customers following the deregulation of the long-distance telephone market, has been hit by rising costs and fierce competition. There is a widespread feeling on Wall Street that MCI has failed to live up to expectations of its early promise. Its shares, which hit a peak of \$28.40 in 1984, are trading close to recent lows. MCI plans to cut its 1987 capital spending from more than \$900m to under \$800m, and will consolidate operational, administrative and support staff and offices around the country. It also expects to trim its longer term capital spending because of efficiencies in its new digital network. The company said yesterday that it will take a pre-tax charge of between \$500m and \$700m in its

fourth quarter, reflecting the reduced value of certain plant and equipment because of new digital technology in its network and reduced reliance on satellite capacity. The company was unable to quantify the after tax impact of the charge or the size of its staff cutbacks. MCI has grown rapidly since 1980. Its customer base has mushroomed from 41,000 to almost 5m and its workforce has grown from 2,000 to 18,000. MCI said that the consolidation would mostly affect essentially surplus facilities and staff that were necessary during the 2 1/2 year period when most Americans were asked to choose a long distance carrier. MCI more than doubled its market share during that period, said Mr Bert C. Roberts, MCI president. "With the most intense period of equal access conversions now over and future conversions scheduled at a slower rate, we can now respond swiftly to the increased pressure on profit margins throughout the interexchange industry, to remain the leanest and most competitive of the long distance carriers," he said. MCI estimates that the moves will cut its net worth from \$1.7bn to close to \$1bn. Its debt stands at \$2.1bn.

Drexel to drop property venture

BY ANATOLE KALETSKY IN NEW YORK

DREXEL Burnham Lambert, the rapidly-growing New York investment bank which dominates the financing of highly-leveraged takeovers, corporate raids and management buy-outs, has announced that it was pulling out of a property venture worth more than \$500m. The deal was to have provided it with one of the biggest and most opulent corporate headquarters buildings in Wall Street. DBL's decision is one of the first tangible examples of the damage wrought in the property market by the new tax bill legislated in October. It also illustrates the way the Ivan Boesky insider trading scandal has punctured the recent euphoria in much of the US securities industry. Mr Robert Linton, DBL's chairman, said yesterday that the tax bill, which will prevent the costs of passive real estate investment from being offset against other sources of profit, was the main reason for the decision not to occupy the 47-story 1.2m sq ft building at World Trade Center which was being developed by Silverstein Properties

with a view to DBL taking a 49.9 per cent equity stake. Mr Linton also added: "The fallout of the insider trading investigation made us decide that it was not a propitious time to go through the tremendous diversion of moving head office." DBL was the investment bank most closely involved with Mr Boesky. Mr Fred Joseph, DBL's chief executive, stressed, however, that his company's business had not been adversely affected by the Boesky scandal, and said its capital had grown to \$1.7bn.

Hilti in joint venture with Ciba-Geigy

By John Wicks in Zurich

HILTI, the Liechtenstein-owned manufacturer of fastening systems, has set up a joint venture with Ciba-Geigy, the Basle chemical concern for building chemicals operations. The Sfr 15m (\$9.1m) company will be known as Hilti-Ciba-Geigy and based in Schaan, the headquarters of the Liechtenstein partner. Ciba-Geigy is active in the building-chemicals sector.

This announcement appears as a matter of record only.

New Issue

3rd December, 1986



TOYO ALUMINIUM K.K.

U.S. \$35,000,000

3 3/4 per cent. Guaranteed Notes 1991

with Warrants

to subscribe for shares of common stock of Toyo Aluminium K.K.
The Notes will be unconditionally and irrevocably guaranteed by

THE SUMITOMO BANK, LIMITED

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Sumitomo Finance International

Banca del Gottardo

Daiwa Europe Limited

IBJ International Limited

Meiko Securities (H.K.) Limited

Orion Royal Bank Limited

Sumitomo Trust International Limited

Swiss Bank Corporation International Limited

Taiheyo Europe Limited

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

3rd December, 1986

TOWA
Towa Real Estate Development Co., Ltd.

U.S. \$40,000,000

3 3/4 per cent. Guaranteed Bonds 1991

unconditionally and irrevocably guaranteed by

The Tokai Bank, Limited

with Warrants

to subscribe for shares of common stock of
Towa Real Estate Development Co., Ltd.

Issue Price 100 per cent.

Nomura International Limited

Tokai International Limited

Daiwa Europe Limited

Baring Brothers & Co., Limited

Chuo Trust Asia Limited

County NatWest Capital Markets Limited

Dresdner Bank Aktiengesellschaft

KOKUSAI Europe Limited

Marubeni Securities (Asia) Limited

Mitsui Trust International Limited

Morgan Grenfell & Co. Limited

Salomon Brothers International Limited

Société Générale

Sumitomo Trust International Limited

ARLABANK ENTERING A NEW EXPANSIONARY PHASE

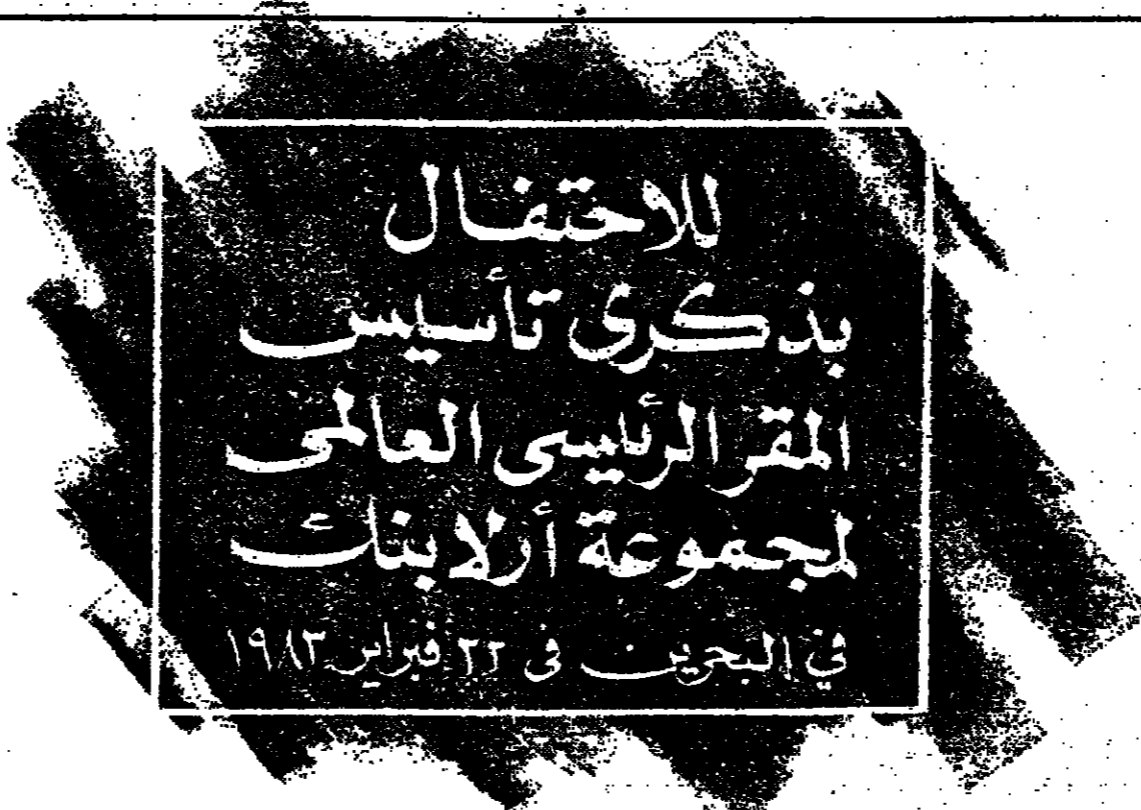
FOLLOWING A STRATEGIC DECISION IN 1983 TO ESTABLISH OUR HEAD OFFICE IN MANAMA, BAHRAIN, FURTHER SIGNIFICANT DEVELOPMENTS HERALD A NEW GROWTH PERIOD FOR OUR GROUP.

ONE IS THE EFFECTIVE BROADENING OF OUR ALREADY STRONG CAPITAL BASE PROVIDED BY THE BANK'S SHAREHOLDERS IN THE FORM OF A RECENTLY ANNOUNCED FACILITY OF UP TO US\$950,000,000. ALL UTILISATIONS UNDER THIS ARRANGEMENT WILL BE ON A FULLY SUBORDINATED BASIS.

THIS FACILITY WAS ACCOMPANIED BY A SENIOR MANAGEMENT RESTRUCTURE, DESIGNED TO INCREASE FLEXIBILITY OF RESPONSE TO NEW OPPORTUNITIES.

ARLABANK VIEWS WITH PRIDE THE FACT THAT UP TO 1986 OUR LOANS AND ADVANCES, WHICH INCLUDE MANY MULTINATIONAL CORPORATIONS AND ARE SPREAD OVER 45 COUNTRIES THROUGHOUT EUROPE, THE AMERICAS, THE FAR AND MIDDLE EAST, HAVE SURPASSED US\$6.5 BILLION.

WE LOOK FORWARD TO THE NEW CHALLENGE WHICH GOES HAND IN HAND WITH THE SHAREHOLDERS' SUPPORT FACILITY. ALREADY DURING OCTOBER WE HAVE OPENED IN PANAMA CITY A FULL BRANCH OF THE BAHRAIN OPERATION AND CLOSE CONSIDERATION IS BEING GIVEN TO SETTING UP NEW UNITS OUTSIDE LATIN AMERICA WHICH WILL FOLLOW OPPORTUNELY. THUS WE ARE APPROACHING THE FUTURE WITH CONFIDENCE.



COMMEMORATING THE ESTABLISHMENT ON 22ND FEBRUARY 1983, OF ARLABANK GROUP'S GLOBAL HEADQUARTERS IN BAHRAIN.



Arlabank International E.C.

HEAD OFFICE, MANAMA CENTRE, GOVERNMENT ROAD, PO Box 5070, MANAMA, STATE OF BAHRAIN. TEL: GENERAL 232124. DEALING 232118. TELEX: 9345 ARLABK.

BRANCHES AND OVERSEAS OFFICES IN PANAMA CITY AND LIMA. REPRESENTATIVE OFFICES IN LONDON, BUENOS AIRES AND RIO DE JANEIRO.

INTERNATIONAL COMPANIES and FINANCE

Diamond Shamrock bid by Pickens

BY JAMES BUCHAN IN NEW YORK

MR T. BOONE PICKENS, the Texas oilman and corporate raider, yesterday returned to the takeover arena with an all-share offer for Diamond Shamrock...

NZ Forest Products 43% ahead at midterm

By Our Financial Staff

NZ FOREST PRODUCTS, which last month became the subject of a NZ\$1.5bn (US\$754.9m) takeover bid...

Murdoch broadens his base in Australia

MR RUPERT MURDOCH'S move to snatch control of the Melbourne-based Herald and Weekly Times (HWT) presented the newspaper group yesterday with a take-it-or-leave-it A\$1.5bn (US\$1.17bn) cash offer...

Chris Sherwell on the Herald and Weekly Times deal

clear last night whether the HWT deal would come under the new rules. Likely buyers for the television stations would include Mr Robert Holmes à Court...

Another recent unsuccessful bidder has been Mr Kerry Packer, who also owns television stations and periodicals. Mr Murdoch himself bid for HWT in 1979...

Modest rise in Volkskas first-half operating profits

BY JIM JONES IN JOHANNESBURG

VOLKSKAS, South Africa's fourth largest banking group, has reported a modest increase in interim operating profits despite the generally unfavourable banking business climate.

Share trading restricted on Indian markets

Stock Exchange dealings in India have been restricted after a sharp fall in share prices in recent days...

At the Calcutta exchange, India's second largest, trading was paralysed for the second day yesterday, although the authorities said the market had officially been kept open.

SPH move on foreign ownership

BY JOYCE QUEK IN SINGAPORE

SINGAPORE Press Holdings, the group which holds an effective monopoly on newspaper publishing in the island state, said yesterday it would stop registering share transfers into foreign hands...

increase in overseas ownership of SPH to its self-imposed limit of 49 per cent. This was announced along with results for the year to August which showed a 4.3 per cent dip in pre-tax profits to S\$101.4m (US\$46.2m).

Newspaper operations, which account for 80 per cent of the group's total, fell but all other operations improved sufficiently to edge turnover up 0.6 per cent to S\$722.6m. With tax cuts, the net dividend remains unchanged.

Philippine mine stake for Paragon

BY KENNETH MARSTON, MINING EDITOR

PARAGON RESOURCES (formerly Seltrust Holdings) is to acquire a 40 per cent interest in the Philippine Eagle Mine, a former gold producer in the Paracale district of Camarines Norte in the Philippines.

Hong Kong issue by Bond International

BOND CORPORATION International, part of Mr Alan Bond's Australian group, is to make a HK\$136.9m (US\$17.55m) issue of new shares in the British administered territory...

Pao makes placing

SIR YUF-KONG PAO, the Hong Kong shipping and property magnate, has raised HK\$360m (US\$46.15m) by a placement of shares in World International (Holdings), his flagship company...

U.S. \$125,000,000



Collateralized Floating Rate Notes, Series A Due December 1997

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from December 4, 1986 to March 4, 1987 the Notes will carry an Interest Rate of 6 1/4% p.a.

By: The Chase Manhattan Bank, N.A. London, Agent Bank. December 4, 1986

US\$125,000,000

First Chicago Corporation

Notice is hereby given that the Rate of Interest has been fixed at 6 1/4% and that the interest payable on the relevant interest Payment Date, March 3, 1987 against Coupon No. 1 in respect of US\$100,000 nominal of the Notes will be US\$1,625.00.

December 4, 1986. By: Citibank, N.A. (CSSI Dept.), Agent Bank. CITIBANK

AIBD BOND INDICES

Table with columns: Redemption Yield, Change on Week, 12 Months High, 12 Months Low. Rows include US Dollar, Australian Dollar, Canadian Dollar, Euroguilder, Euro Currency Unit, Yen, Sterling, Deutschemark.

Keep up with the London markets Real-time refreshed information on Reuter Monitor

Table of LONDON STOCK EXCHANGE data including columns: GAT, LAST, BID, ASK, CLOSE, OPEN, HIGH, LOW, VOLUME. Rows include TSBM, TSCD, THN, TRAF, TRST, ULVR, UBIS.

UK EQUITIES

Table of UK EQUITIES with columns: Type, Page codes. Rows include ALPHA (IDLA-D), BETA (IDLI), GAMMA (IDLJ), OVERSEAS (IDLH), NEWS (AAKK).

UK GILTS

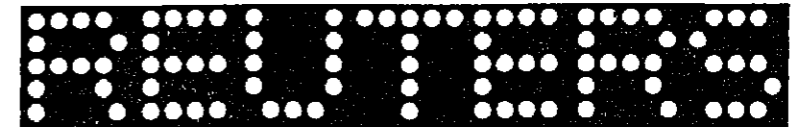
Table of UK GILTS with columns: REFERENCE PRICES, CONTRIBUTOR INDEX, INDEX OF PRICES, NEWS. Rows include GILX, GILY-Z, IDLK, RMEAF.

LIFFE

Table of LIFFE with columns: INDEX OF FUTURES PAGES. Row includes LIEA-B.

AND MUCH MUCH MORE...

- INTERNATIONAL MONEY MARKETS
INTERNATIONAL GOLD MARKETS
INTERNATIONAL OIL MARKETS
INTERNATIONAL BOND MARKETS
DOMESTIC MONEY MARKETS
INTERNATIONAL FUTURES MARKETS
INTERNATIONAL EQUITIES MARKETS



REUTER MONITOR - THE INFORMATION SERVICE FOR YOUR MARKETS

This advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange. Application will be made to the Council of The Stock Exchange for the Ordinary Share capital of Logitek plc, issued and now being issued, to be admitted to the Official List.

LOGITEK plc

(Incorporated in England and Wales under the Companies Acts 1948 to 1981 No. 1734280)

Placing by



BARCLAYS de ZOETE WEDD

of 3,900,000 Ordinary Shares of 5p each at 65p per share payable in full on application

Share capital following the Placing

Table with columns: Authorised, Issued and to be issued fully paid. Rows include E770,000, Ordinary Shares of 5p each, E580,000.

Logitek is engaged in the sale and distribution of microcomputers and associated peripheral equipment and the provision of related technical services in the U.K., principally to the business and professional market.

2,900,000 Ordinary Shares are being placed by Henry Cooke, Lumsden Ltd. and 1,000,000 Ordinary Shares are being placed by BZW Securities Limited.

Listing Particulars relating to Logitek plc are available in the Extra Statistical Services and copies of the Listing Particulars may be obtained during normal business hours up to and including 8th December, 1986 from the Company Announcements Office...

Barclays de Zoete Wedd Limited,

York House, Manchester M2 3BB; Ebbsgate House, London EC4R 3TS; 39 Bennetts Hill, Birmingham B2 5SR.

Henry Cooke, Lumsden Ltd.,

No. 1 King St., Manchester M60 3AH.

BZW Securities Limited and Morgan Grenfell Securities Limited have indicated that they intend to register as market makers in the Ordinary Shares of Logitek plc.

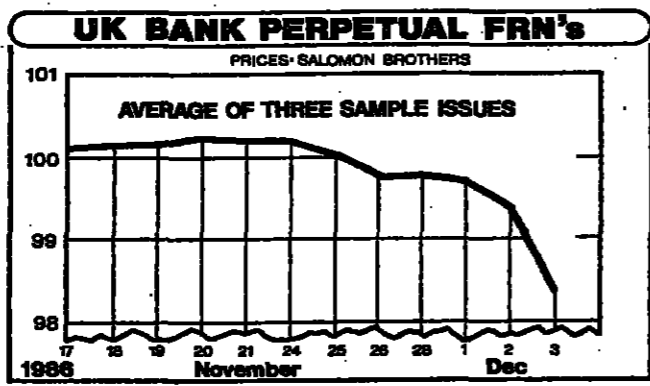
4th December, 1986

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Clare Pearson explains why investors have deserted a fragile market

FRN traders struggle to restore stability

YESTERDAY'S CRISIS meeting of more than 40 floating rate note (FRN) traders...



Dealers, recently agreed on trading guidelines in the fixed rate market that will come into effect on January 2.

as primary capital debt is awaited. Meanwhile the appearance of US-style asset-backed dated FRNs...

the summer, when Libid-based new paper for sovereign issuers made an appearance.

Split between straight and floating sectors widens

BY OUR EUROMARKETS STAFF

THE GROWING SPLIT in the primary Eurobond market between straight and floating rate US dollar-denominated issues...

issue, priced at par and guaranteed by Credit Suisse. Led by Credit Suisse First Boston...

Two sets of warrants for Swiss issue

IN THE latest of a series of innovations on the Swiss capital market, Kossman Verelst Zuerich...

Sweden to launch put and call options index

BY SARA WEBB IN STOCKHOLM

OPTIONSMAKLARNA (OM), the privately-run Swedish options market, plans to launch put and call index options...

field is due to end with the launch of a rival in the form of the Stockholm Options and Futures Exchange (Sofe).

the right to buy Sofe pending changes in the law. Mr Lars Bredin, vice-president of the stock exchange...

Japan plans funds to attract foreigners

By Ann Charters in Sao Paulo FOREIGN INVESTORS are to be given two new ways to enter the Brazilian stock market.

Kingdom of Sweden Japanese Yen 25,000,000,000 5 1/2 per cent. Bonds Due 1991

Shares on the exchange are now trading at about the same price levels as before the Cruzado plan last February...

KHD in tractor venture talks with Daimler By Our Financial Staff DAIMLER-BENZ, the West German motor and industrial group...

Y40bn World Bank loan

BY YOKO SHIBATA IN TOKYO

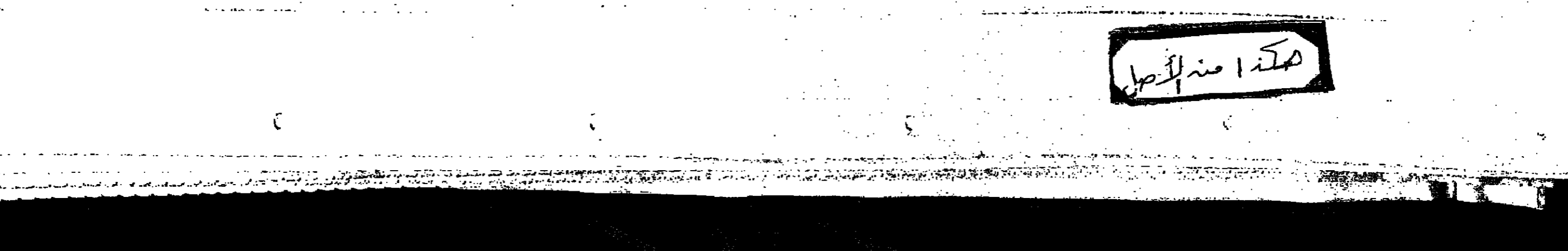
A SYNDICATE of 20 Japanese life insurance companies has signed a \$40bn, 30-year loan agreement with the World Bank...

interest rate of 6.2 per cent. The Mutual Life Insurance and Asahi Mutual Life Insurance were co-leads.

FT INTERNATIONAL BOND SERVICE

Table listing international bonds with columns for Issuer, Maturity, Coupon, and Price. Includes sections for US Dollars, Other Strains, and Convertible bonds.

Advertisement for the Kingdom of Sweden Japanese Yen 25,000,000,000 5 1/2 per cent. Bonds Due 1991, listing various international banks and their contact information.



UK COMPANY NEWS

CORE UK SUGAR SIDE HIT BY PRICE WAR

Tate's £82m meets expectations

By Andrew Gowers

Tate & Lyle, the sugar group which is currently trying to acquire British Sugar, its only rival in Britain, yesterday reported a 6.3 per cent increase in pre-tax profits for the year to September 27, in which a sharp fall in earnings from UK cane refining was more than offset by profit growth elsewhere.

Mr Shaw highlighted the collapse in earnings from Tate's core UK sugar business, which he said resulted from a price war involving British Sugar and independent sugar merchants, and from an "inhibit" disadvantage suffered by cane producers under the EEC sugar regime.

UK sugar production and refining profits were a mere £2.1m on turnover of £438.5m, compared with £13.3m and £455.5m in 1985.

In sugar trading, another problem area in recent years, Tate reported a significant improvement, thanks partly to the resolution of a long-standing dispute with Indonesia over an unfulfilled sugar contract which caused the company to write off £10.4m two years ago.

Blue Circle to sell its Australian cement stake

By Clay Harris

Blue Circle Industries yesterday signalled its intention to pull out of the Australian cement market.

Northern Foods shows small rise as restructuring nears completion

By Alice Rawsthorn

Northern Foods, the Hull-based food producer, watched its share price fall by 8 to 289p yesterday after the announcement of a modest rise in pre-tax profits of 7 per cent to £37.1m in the first half of the financial year.

The company is approaching the end of a restructuring programme in which it has expanded traditional activities in meat, dairy and bakery production in the UK, while rationalising its interests in the US.

Group turnover fell to £795.5m (£797.7m) in the six months to September 30 1986, chiefly as a result of the sale of the two prestige subsidiaries in the US.

Morceau falls below expectations

By Philip Cogan

PRE-TAX PROFITS at Morceau Holdings, the specialist fire protection group, will be well below expectations, when the company announces its results next week for the year to September 30.

Pharmaceuticals boost for AAH

A SHARPLY higher contribution from its pharmaceutical supplies activity enabled AAH Holdings to lift its profits from £6.81m to £9.78m pre-tax for the first six months of the 1986-87 year.

The directors said yesterday that earlier publication of the interim report made it less easy to predict the year's outcome as the fuel division was only just beginning its main trading period.

contracts. So while AAH's pharmaceuticals are valuable they may not be permanent. The opposition to the proposal is preparing to fight back.

Imtec losses increase but merger talks make progress

By Philip Cogan

Imtec Group, the USM-quoted multinational equipment company, yesterday reported preliminary losses for the year to March 31 of £5,000 (£208,000) compared with a profit of £272,000 (£281,000) in the previous year.

CU buys Portuguese insurer

By Nick Sumner, Insurance Correspondent

Commercial Union, one of the UK's biggest composite insurers, has bought 70 per cent of the equity of a Portuguese non-life insurance agency, Rawes and Figueira.

North West Oil placing to raise £1m

By Lucy Kellaway

North West Oil and Gas, the oil and gas services company, is placing £1m of shares to raise funds for its expansion programme.

Listing for Coastal Cor

By Max Widdows

Coastal Cor, the oil and gas services company, is planning to list its shares on the London Stock Exchange.

Burton shares bought

MR RAJESH KALPANI, chairman of Burton Group, yesterday announced that he had bought 50,000 shares in the company at 29p a share.

Kevin Brown on the ruling over European Ferries stake

P&O given the all clear

Competrol now has 29.9% in Moorgate

Athens-based Competrol Establishment has increased its stake in Moorgate Investment Trust from 10 per cent to 29.9 per cent.

Listing for Coastal Cor

Coastal Cor, the oil and gas services company, is planning to list its shares on the London Stock Exchange.

Turner & Newall PLC FINAL OFFER FOR AE PLC. VALUE OF T&N FINAL OFFER: 282.4p. VALUE OF ADDITIONAL SHARE ELECTION UNDER T&N FINAL OFFER: 287p. THE RENEWED OFFER IS FINAL AND WILL CLOSE AT 1.00 p.m. ON 5th DECEMBER, 1986 UNLESS IT IS THEN UNCONDITIONAL AS TO ACCEPTANCES.

Continental Freight Ferry Services Market Share. Table listing market share percentages for various companies in different regions like Northern, Southern, and Eastern. Includes a section on the P&O merger and its impact on the market.

UK COMPANY NEWS

Ryan makes £27.4m agreed bid for Crouch

By Nikki Tait

Ryan International, the Cardiff-based coal recovery company, is making a £27.4m agreed cash offer for Derek Crouch, the open-cast mining and housebuilding group...

The offer is backed by the Crouch directors and Ryan had by yesterday evening irrevocable acceptances from holders of 50.1 per cent of Crouch's shares...

merged group — to be called Coal Holdings — will be less than 40 per cent. A question mark, however, hangs over Crouch's non-mining operations...

Birmingham Mint spends £7.3m on acquisitions

By Nikki Tait

Birmingham Mint, the coins to electrical components group, yesterday announced two acquisitions — an electrical contacts business and a metal processing operation...

News of the acquisitions accompanied interim figures for the group. These showed pre-tax profits had risen 31 per cent to £836,000 in the six months to September 30...

The larger deal is the purchase of S & F. Fellows, a subsidiary of Centraway Industries for £4.25m. The price will be met by the issue of 2.5m Mint shares...

The second deal is the acquisition of the Wembley-based electrical contacts business from Johnson Matthey Metals for a maximum cash consideration of £3.01m...

To finance the second acquisition, Mint is making a 2-for-5 rights issue, involving 2.5m shares at 45p. There is no open offer for existing shares...

According to chairman, Mr Colin Perry, the two acquisitions fit well with existing subsidiaries...

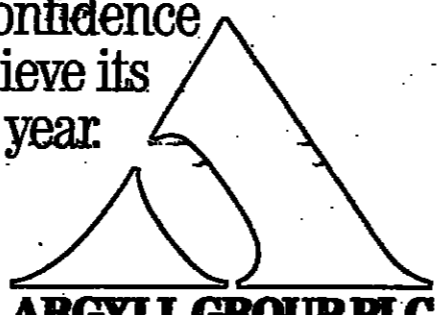
ARGYLL GROUP PLC INTERIM RESULTS: SIX MONTHS TO 30 SEPTEMBER

Table with 4 columns: Item, 1986 (unaudited) £m, 1985 (unaudited) £m, % change. Rows include Turnover, Profit before taxation, Taxation, Earnings per share, Actual tax, 35% tax, Interim dividend per share.

Excellent profit and net margin growth from the Food Division:

- Operating profit up 30%
Net operating margin up from 3.09% to 3.75%

Current trading gives confidence that the Group will achieve its profit objectives for the year



Copies of the full Interim Report may be obtained from the Company Secretary at Argyll House, Millington Road, Hayes, Middlesex, UB3 4AY

Coalite £1.2m up at six months

THE Coalite Group, which recently expanded its fuel distribution activities via the £90m acquisition of the Yorkshire-based Hargreaves Group...

Pro-tax profits benefited from a £918,000 increase in interest income which rose to £4.4m. There was also a £380,000 reduction in the tax charge to £1.5m...

the previous first half was boosted by restocking after the miners' strike — so the savings from the closure of the Ashgrove works were largely cancelled out...

They pointed out that it provided Coalite with a firm basis for expansion and growth. Senior management of both sides were working together to bring about a successful integration...

comment Winter is normally the key period for Coalite and all the more so this year as the company strives to integrate Hargreaves into the group...

comment Winter is normally the key period for Coalite and all the more so this year as the company strives to integrate Hargreaves into the group...

Logitek to join market at valuation of £7.5m

By Richard Tomkins

Logitek, microcomputers distributor, is to come to the main market through a placing of 3.8m shares at 55p each by Barclays de Zoete Wedd...

product range has expanded and the technical services division has grown. Pre-tax profits in the year to last March were £697,000 on turnover of £7.3m.

comment Winter is normally the key period for Coalite and all the more so this year as the company strives to integrate Hargreaves into the group...

The company supplies the business and professional market with single and multi-user microcomputers, visual display units, printers, networking and communication equipment and other products...

It was formed in 1983 after the management buy-out of EIC, then a subsidiary of a company called Holgate. Turnover and profits have risen rapidly as the...

EPS turns profit into £1.5m loss

Entertainment Production Services, the USM-quoted marketer of pre-recorded and blank recording tape, saw last year's £146,000 pre-tax profit turned into a loss of £1.5m for the year to April 30 1986...

Lombard North profit slightly off at year end

Lombard North Capital, finance house subsidiary of the National Westminster Bank, turned in slightly lower pre-tax profits of £53.2m for the year ended Sept 30 1986, compared with £55.7m previously.

EXTERNAL TRADE — Indices of export and import volume

Table with 4 columns: Year, Export volume, Import volume, Balance. Rows for 1985 and 1986 quarterly data.

FINANCIAL — Money supply M0, M1 and sterling M2

Table with 4 columns: Year, M0, M1, M2. Rows for 1985 and 1986 quarterly data.

INFLATION — Indices of earnings (Jan 1980=100)

Table with 4 columns: Year, Basic, Wholesale, Retail. Rows for 1985 and 1986 quarterly data.

BOARD MEETINGS

Table listing board meetings for various companies including Anglo-Saxon, BHP, and others.

New Issue December 4, 1986 This advertisement appears as a matter of record only.

EUROFIMA

Europäische Gesellschaft für die Finanzierung von Eisenbahnmateriale, Basel Société européenne pour le financement de matériel ferroviaire, Bâle Società europea per il finanziamento di materiale ferroviario, Basilea

DM 300,000,000 2 / 6 3/8 % Deutsche Mark Share Index Linked Notes of 1986/1994

consisting of DM 150,000,000 Tranche A Notes ("Bull"-Tranche) and DM 150,000,000 Tranche B Notes ("Bear"-Tranche)

Table listing participating banks: Deutsche Bank, Bayerische Hypotheken- und Wechsel-Bank, Bayerische Landesbank, etc.

FINANCIAL TIMES BOOKLETS. The following booklets are available from the Financial Times. Capital Gains, How to compete on equal terms, Jobs, pay, unions & ownership capital.

U.S. \$45,000,000 Oxford Acceptance Corporation II Floating Rate Notes due December 1993. Notice is hereby given that the Rate of Interest has been fixed at 6 1/2% p.a.

Handwritten signature or note at the bottom right of the page.



WHERE
DO YOU THINK
A WISE
COMPUTER
LEASING COMPANY
SHOULD BE
OPERATING?

- In the Netherlands, France and Portugal
- In IBM's largest markets
- In Italy, Sweden and the United Kingdom
- Mainly in the United Kingdom

It's our belief that it's wise to concentrate on the larger markets. And, the largest are the United States, Japan, Germany, France and the UK.

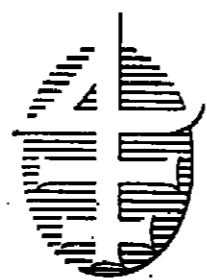
At present, United Leasing operates in four of the five. We've yet to unravel the intricate mysteries of the Far East.

In the United States, on the other hand, we opened our first office in a single room in 1981 and, last year, saw our turnover exceed US\$135 million. And we were recently rated the third largest independent computer leasing company in the USA.

In the UK we are running a close second, and in Germany we're up amongst the front-runners. In France, we are already making our mark.

For us, this pattern of international growth comes from sticking to what we know we're good at. And from concentrating on those markets where we know success can be achieved.

Next time anyone asks you where you think a wise computer leasing company should be trading, tell them about United Leasing. A British company, expanding through working hard in IBM's major markets.



United Leasing plc

14 Welbeck Street, London W1M 7PF. Tel: 01-935 7104.



NEW ISSUE

These Notes have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to nationals or residents thereof.

NOVEMBER 1986

U.S. \$100,000,000

Robert Fleming Netherlands B.V.

Primary Capital Undated Guaranteed Floating Rate Notes

guaranteed by

Robert Fleming Holdings Limited

Credit Suisse First Boston Limited

Chemical Bank International Group

Yasuda Trust Europe Limited

Bank of Tokyo International Limited

Barclays de Zoete Wedd Limited

DKB International Limited

Fuji International Finance Limited

Mitsubishi Finance International Limited

Morgan Guaranty Ltd

The National Commercial Bank (Saudi Arabia)

The Royal Bank of Scotland plc

Sanwa International Limited

AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS

This advertisement is published by Morgan Grenfell & Co. Limited on behalf of Hollis plc. The Directors of Hollis plc are the persons responsible for the information contained in this advertisement.

HOLLIS plc Offer for AE PLC

Table with 2 columns: Offer Type, Value per AE Share. Rows: The Hollis Share Offer (320p*), The Hollis Cash Alternative (280p*)

*In addition accepting AE shareholders will be entitled to receive and retain the final dividend of 5.3p (net) per AE Share under the Hollis Offer and Cash Alternative.

Your acceptance should be received by 3.00 p.m. on Friday, 19th December, 1986.**

**Hollis reserves the right to extend the Offer and the Cash Alternative. If the Offer is declared unconditional as to acceptances, both the Offer and the Cash Alternative will remain open for acceptance for at least 14 days thereafter.

The value of the Hollis Share Offer is based on the middle market price of 91p per Hollis Ordinary share taken from the SEAQ System at 3.30 p.m. on 3rd December, 1986.

AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS · AE · HOLLIS

UK COMPANY NEWS

All-round growth boosts Allied Colloids 55%

BY ALICE RAWSTHORN

Allied Colloids, manufacturer of industrial chemicals, yesterday announced a 55 per cent increase in pre-tax profits to £12.75m for the first half of the financial year after a strong performance from every area of activity.

Given the so high a proportion of sales—around 80 per cent—is generated overseas, Allied Colloids has traditionally been vulnerable to exchange rate fluctuations.

The only problematic area for Allied Colloids was in the oil services sector, where business suffered because of the decline in industry activity following the fall in the oil price.

Sales growth was rather stronger overseas than in the UK. In the six months to September 27 overseas turnover

rose to £53.72m (£45.25m), while in the UK turnover increased to £12.35m (£10.84m). Operating profits rose to £13.12m (£8.78m).

The company's cash position has improved considerably. Interest payable fell to £371,000 (£548,000). Gearing is expected to be lower at the end of the current than the last financial year.

Allied Colloids is continuing its capital expenditure programme. It proposes to invest a total of £10m in the course of the current year.

In its interim report to shareholders the company reported continued growth in demand for its products and anticipated further growth in the second half, providing sterling does not strengthen significantly.

comment

The rationale behind Allied Colloids activities is that by spreading its speciality chemicals between a wide range of products and sectors, it can emerge unscathed from sudden slumps in any individual area.

Smith & Nephew profit up by 22.5%

Smith & Nephew Associated Companies, the medical and healthcare company which produces Nivesan Elastoplast, lifted pre-tax profits for the nine months to October 4 by 22.5 per cent to £58.2m on turnover of £350.2m against £328.7m.

Its largest ever acquisition of the US company Richards Medical for £193m was completed on October 17 and is not included in the figures.

Profits for the third quarter improved from last time's £17.07m to £21.2m.

Net cost of borrowings for the nine months was lower at £200,000 (£3.9m) and attributable profits of related companies slightly higher at £5.8m (£5.3m).

After higher tax of £19.4m (£15.9m), earnings per share, adjusted for May's scrip issue, stood at 4.68p, up from last time's total of 3.94p.

Rowlinson forecasts £1m for full year

Rowlinson Securities predicts a marginal improvement in pre-tax profits, from £377,000 to £341,000, in the six months to September 30 1986. However, the full-year profits are expected to be approximately £1m (£820,000).

Turnover in the first six months was down from £441m to £424m; tax took £151,000 (£135,000) leaving earnings per 10p share of 2.24p (1.61p) for an increased interim dividend of 0.2p (0.15125p).

Leeds expands 18% to £2.4m

THE profit improvement in the first six months at Leeds Group, textiles, oil and gas production and asset leasing concerns, was maintained throughout the year and for the 12 months ended September 30 1986 the taxable figure was 18 per cent higher at £2.37m, against £2m.

Turnover slipped to £14.16m (£14.45m), but the trading surplus rose from £3.44m to £2.79m. Pre-tax figure was after slightly reduced depreciation of £417,000 (£431,000).

Mr Robert Wade, chairman, said that the fluctuations in exports of the wool textile industry were more than compensated by buoyant demand from the UK retail sector.

Mr Wade explained that the year's turnover reduction was mainly because of the increasing proportion of non-apparel yarn sales at lower unit values and that although exports were down on 1984-85 they "held up pretty well" during the year under review.

After tax of £902,000 (£859,000) earnings per share were 19.7p (15.3p) while the dividend was again increased, from an adjusted 5.21p to 6.25p, with a final of 4p.

The chairman said the group intends to invest some £1.5m into the Walsden Printing Company—the sole trading subsidiary of recent acquisition Eldemew—and that Walsden would provide a strong base for further progress.

APPOINTMENTS

Senior posts at the Woolwich

Mr Peter Robinson and Mr Michael Tuks have been appointed deputy chief executives at the WOOLWICH BUILDING SOCIETY. Mr Robinson, general manager (operations), will be responsible for all aspects of retail business operations and for the six months to September 30 1986 the taxable figure was 18 per cent higher at £2.37m, against £2m.

Mr Ernest Amerbach, deputy chairman, has become chairman of CRUSADER INSURANCE. Mr Lawrence Arnold, general manager, finance, and Mr John Boney, president, CIGNA International and broker division, join the board.

Mr Ray Cheshall, Boulton and Paul's chairman, will be seconded by BET as an adviser to Business in the Community, specialising in the East Anglian region and in engineering.

Mr Martin Ryan has become managing director of KONTRAK MANUFACTURING COMPANY (a wholly-owned subsidiary of the EIS Group). He re-joins the group from the Westland Group.

Mr Ron H. Campbell, managing director of Babcock Power, UK power group of Babcock International, becomes managing director of BACOOCK ENERGY following the reorganisation of Babcock Power.

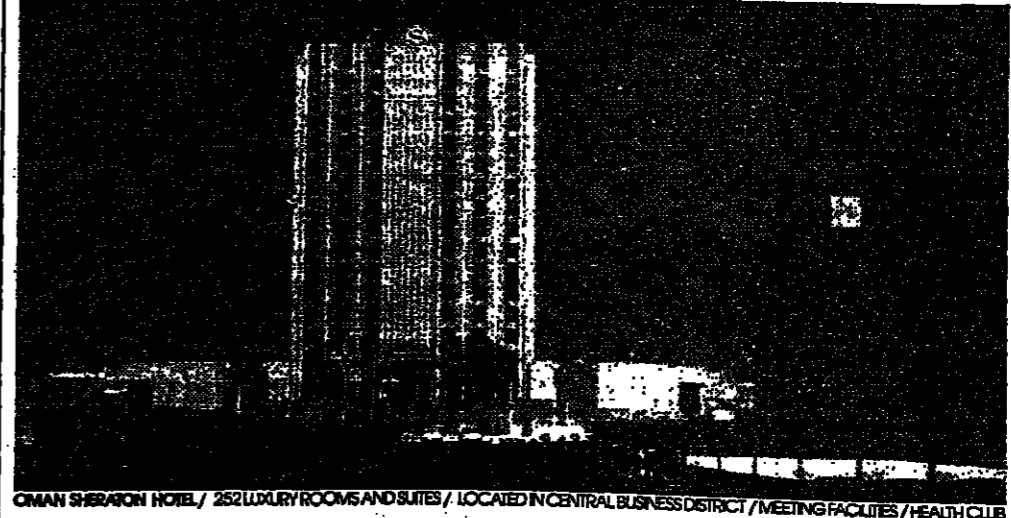
MEDIA PLAN INTERNATIONAL has appointed Mr Graham Pooley as group finance director.

Public Works Loan Board rates

Table of Public Works Loan Board rates. Columns: Years, Quota loans repaid (EIP, AF, maturity), Non-quota loans A* repaid (EIP, AF, maturity).

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

COME TO THE GULF



COME TO SHERATON

When you travel to one of the world's most important business centers, you expect the finest in hotel accommodations. Like so many travelers to the Gulf, you choose Sheraton. For key locations near commercial, government and shopping districts.

ABU DHABI, U.A.E., ABU DHABI SHERATON HOTEL. DOHA, QATAR, DOHA SHERATON HOTEL. DUBAI, U.A.E., DUBAI SHERATON HOTEL. KUWAIT CITY, KUWAIT, KUWAIT SHERATON HOTEL. MANAMA, BAHRAIN, BAHRAIN SHERATON HOTEL. MUSCAT, OMAN, OMAN SHERATON HOTEL (NOW OPEN). RIYADH, SAUDI ARABIA, AIFLLAH SHERATON HOTEL.

Accountancy Appointments

ASSISTANT FINANCIAL CONTROLLER

ESSEX

c £20,000 pa + Car + Benefits

We are a well established International Services Group and part of a major British plc.

Responsible to the Director of Finance, Eastern Hemisphere, based at Chelmsford, you will assist with the control of management information, reporting, budgeting, cash flow forecasting, taxation, general planning and with ad hoc assignments.

The successful candidate will be a qualified ACA/ACCA in their 20s or early 30s with a minimum of two years commercial experience outside the profession. You must have a strong personality, be outgoing with good communication skills at all levels. You must be able to demonstrate considerable initiative and be willing to travel extensively.

Please write in confidence with full career, personal and salary details to Box A0353, Financial Times, 10 Cannon Street, London EC4P 4BY.

Hoggett Bowers

Executive Search and Selection Consultants

Financial Director Designate

East Midlands, c £25K, Executive Car

Privately owned, this rapidly expanding highly profitable marketing led £10m turnover company, manufactures a growing range of quality branded DIY products, often achieving brand leadership in major multiples in addition to Design Council accolades. Responsibility is to the Managing Director for the overall direction and control of the financial affairs of the business both in the UK and America including participation in the development of company policy, continuous appraisal of the company's financial position and the examination of new business opportunities. The individual will take charge of a well established small but professional department with computer support. Qualified accountants, aged early thirties, good communicators and business orientated, will have a successful track record in a blue chip marketing orientated organisation where advertising plays an important role, enabling the individual to understand the philosophy of this dynamic company and to contribute to its future growth. Good benefits package including BUPA, pension and relocation assistance to this attractive location.

J.R. McCallan, Hoggett Bowers plc, Bank House, 100 Queen Street, SHEFFIELD, S1 2DW, 0742 751241. Ref: 514004/FT

Financial Controller

Cornwall, To £18,000, Car, Benefits

As a result of an internal promotion, this £30m turnover company which is part of a major British plc now has a need for a Financial Controller. Reporting to the Finance Director, the successful candidate will manage a department of 13 providing the company with a comprehensive financial and management accounting service. A sophisticated computerised accounting system is installed. Candidates aged 27-40, must be fully qualified accountants who have managed a significant finance function in a manufacturing environment. Working conditions and benefits are excellent and include a generous relocation package to an attractive part of the country where the 'quality of life' is high.

M.W. Posh, Hoggett Bowers plc, 36 High Street, Eton, WINDSOR, SLA 6BD, 0793 850851. Ref: 22100/FT

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

P.A. to Group F.D.

City neg. £25-£30K + car + benefits

An exceptionally bright, energetic and ambitious accountant with good exposure to the financial services sector is required for this newly created PA appointment.

Our client is a successful, listed international financial services group which has developed significantly by both organic growth and by acquisitions. The pace of growth is unlikely to decelerate.

Probably aged 25-30, candidates will have outstanding post qualification experience with a major firm or may have held an influential appointment in an international company operating in a 'City' environment.

Initial range of duties will include supporting the Group Finance Director with cash management, tax planning and systems work. In addition, work will be delegated on the financial management of subsidiaries and on specific proposed acquisitions. Some international travel will be involved.

Please write in confidence to Peter Willingham quoting reference LM47 explaining why we should meet to discuss this appointment, enclosing your detailed CV, current salary package and day time telephone number at Spicer and Pegler Associates, Executive Selection, International Division, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates Management Services

Financial and Management Accountants to manage change

Following the 1984 London Regional Transport Act, London Buses Ltd has undergone a fundamental restructuring of its organisation and operations. We are an increasingly competitive business with a number of profit centres and a strong commitment to the needs and expectations of our customers - around 3.5 million per day.

In this environment, individual career development is as important to the continued growth and success of the business as it is to those who help us manage change by taking initiatives and performing with distinction.

These appointments in our Financial Controller's office in Central London offer substantial commercial responsibility to ambitious young accountants.

Financial Accountant c.£18,000 plus benefits

The task is to consolidate the statutory financial accounts of London Buses Ltd and its subsidiaries and to develop and improve financial disciplines and controls throughout the business.

Reporting to the Financial Controller, specific responsibilities will include managing the operation of our HQ financial accounting and control unit; co-ordination and consolidation of financial accounting data from all our District units in order to present overall statutory results on a period and annual basis; preparation of written financial procedures; development of computer-based financial control systems at headquarters.

You will assume immediate responsibility for the corporate finance section and build a team dealing with capital accounting, traffic receipts, accounts payable and receivable. The ability to communicate with non-accountants is essential as you will work closely with senior managers throughout the company. Qualified, technically sound and disciplined, you should be an effective team leader.

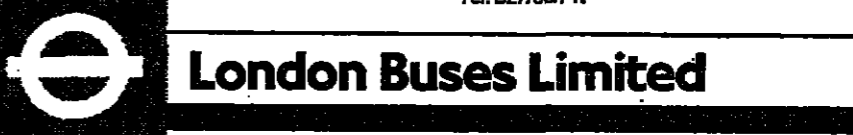
Management Accountant c.£18,000 plus benefits

The task is to develop and improve the budgetary control, management information and performance indicators for London Buses Ltd and its subsidiary companies.

Reporting to the Financial Controller, you will manage the operation of revenue and capital budgetary control systems; consolidate management information from the Districts and subsidiaries in order to present overall results to management; monitor performance and provide critiques for the Board; develop computer-based management information systems.

The job calls for an inventive and original thinker, confident of his/her skill in front of an audience, who will contribute ideas for the future success of the business and who can write succinct high level reports of quality. Good interpersonal skills are essential as is the capacity to identify areas for cost savings.

Please write with full CV to: Amanda Beer, Personnel Office, London Buses Limited, Albany House, 55 Broadway, London SW1H 0BD quoting ref: B2786/FT.



LATEST APPOINTMENTS:

COMPUTER AUDITOR London To £25,000 + car A major professional firm has an exciting opportunity for a graduate chartered accountant, aged 25-30, to join its London and South East regional team. A minimum of two years post qualification computer audit experience is required within a 'Top 20' firm. Ref: DES.	BANKING City c£20,000 + mortgage International bank with excellent prospects offers a challenging career for a young, smart, energetic accountant with excellent communication skills. This is a comprehensive, investigative systems position where previous experience of financial statements and reporting skills will be advantageous. Ref: EMC.	SPECIAL PROJECTS E. London c£19,000 + car Worldwide trading organisation seeks capable individuals for high profile group role. Specific assignments will include developing a new currency model and re-designing the style of balance sheet reporting. Line management move expected in the short-term. Ref: JFH.
CORPORATE ANALYSIS London £19,000 + car Key role in the corporate finance department of a leading, multi-national investment bank. The successful candidate will be responsible for the analysis and interpretation of divisions' performance for weekly presentation to senior management. Substantial bonus scheme. Ref: EMC.	CAPITAL MARKETS City c£18,000 + bonus Market-making division of prestigious international investment house requires a bright, recently qualified, aged 24-26, for a challenging operational post. After effects of the 'Big Bang' have created exceptional career development prospects for hard-working individuals. Ref: JFH.	TROUBLESHOOTER Melbourne c£18,000 + car Acquisitive industrial group urgently seeks to recruit a qualified accountant, aged 25-30, who can demonstrate outstanding interpersonal skills, a good appreciation of industrial accounting and related systems applications and the overall financial essential to an dynamic corporate finance team. Ref: JFH.
LEISURE SECTOR W. London To £18,000 + car Superb opportunity for a dynamic young accountant to forge a career in this exciting industry. Involvement will cover all areas of financial control in a thriving new division at the forefront of the entertainment boom. Package includes many sector perks. Ref: JFH.	Everything falls into place at HUDSON SHRIBMAN 01 831 2323 We handle many more vacancies than it is possible to mention here. For the whole picture, please call or write to Hudson Shribman, Vernon House, Sicilian Avenue, London WC1A 2QH	

FINANCIAL CONTROLLER

M25/M3 c. £25,000 + car

A commitment to growth from both group and within what is as yet a small subsidiary, gives rise to this challenging new position. The medium term plan of this company confirms growth in personnel terms from the existing 40 to about 100, the extension of product range and turnover increasing to in excess of £20m within three years.

Reporting therefore to the Managing Director, we are seeking on their behalf an ambitious, young, qualified Accountant who can demonstrate the commitment and intelligence to 'stay with' and support this period of growth.

We anticipate candidates aged probably late twenties to mid thirties capable of participating in a totally commercial and business sense to the achievement of their objectives.

In demonstrating this commitment and involvement the successful candidate will be seen as relevant to the further career opportunities which can already be anticipated within either finance or general management.

For further information candidates should initially write with full details of career to date and present earnings to Brian J Smith, ACMA, quoting reference no. FT1106 at:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP
All interviews to be held locally.

Financial Controller

Cote D'Ivoire

c £40,000 + accommodation etc

The expanding Abidjan office of an exporter of coffee and cocoa requires the additional talents of a qualified Accountant.

As a key member of a small team the Financial Controller will be responsible for the monitoring and maintenance of the financial control and accounting function. Reporting will be direct to the Group Finance Director in London as well as to local management.

Ideally in your early 30's, you should be bi-lingual English/French and should have obtained commercial experience since qualifying and have a good working knowledge of either International Banking or Commodities.

The package offered will be flexible and fully negotiable with advantageous tax benefits for the right candidate. Further expansion is envisaged in both Cote D'Ivoire and internationally which will provide continuing career opportunities.

Please write with full career and salary details to John P Sleigh FCCA quoting reference J541/AF.

Lloyd Management
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FINANCIAL CONTROLLER

£25,000+

Qualified ACA/ACCA to take control of all aspects of finance within a Securities company in W1. The successful candidate will be experienced within an Investments/Securities house with accounting knowledge of bonds and fixed interest investments.

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CITY £20,000-£38,000 neg plus mortgage

We are currently retained by a number of leading and highly respected International Merchant and Investment Banks to recruit high calibre individuals for new appointments within their Corporate Finance Divisions. The brief offers high level management exposure and will include a thorough grounding in the provision of advice to clients on takeovers, mergers, fund raising, rights issues and the restructuring of company finances. Preferred backgrounds would be recently qualified graduate Chartered Accountants ideally with experience of investigations.

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Please telephone Brian Cognet or Neil Wax on 01-387 5400 (or out of hours on 0823 720284) or write to: Financial Selection Services, Drayton House, Gordon Street, Bloomsbury London, WC1H 0AN

FINANCE DIRECTOR

West London neg to £29K

Our client provides technical contractual services for overseas governments. Growth now necessitates the appointment of a Finance Director. In addition to the classical responsibilities of a Finance Director in a growing £5M company, a significant proportion of the work will be concerned with all facets of export finance.

The successful candidate will be a computer-literate chartered accountant with international horizons and the ability and presence necessary for dealing with all types of financial institutions. He or she will be an intelligent communicator with excellent teamwork skills. Some overseas travel necessary. Age probably late-30s, but flexibility here.

3i Consultants Ltd
Human Resources Division

For further information and an application form please telephone Pat Berry, Human Resources Secretary, on Windsor (0753) 867175 (24 hrs) quoting ref DM/632

MANAGEMENT: Marketing and Advertising

Airline marketing

A lot to learn from supermarkets

Lynton McLain reports on a study which is critical of attitudes to customers

THE WORLD'S airlines could learn a thing or two about marketing from supermarket chains, according to a study just published which strongly criticises the airline industry for focusing on the wrong elements of its business and not doing enough to meet the needs of its customers.

"We believe the airlines need to re-examine their products to find new ways of providing satisfaction to confused and dissatisfied customers. These new solutions need to touch base on all the basic principles of branded goods marketing," the report argues.

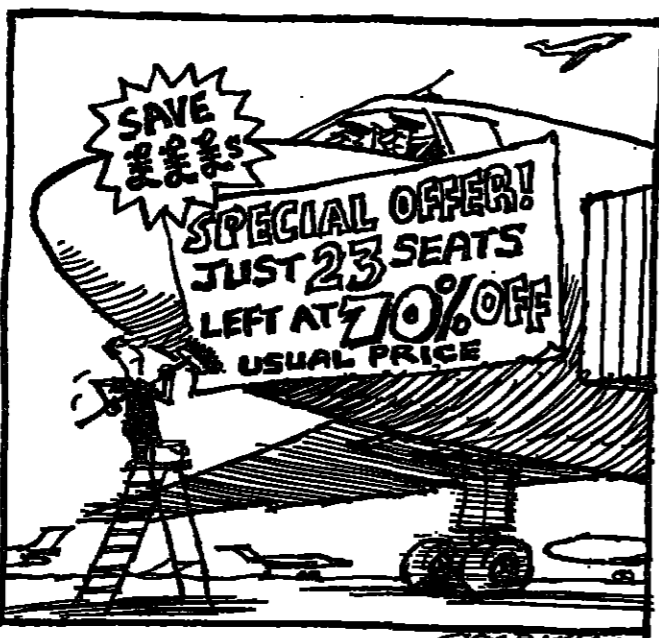
Most of the criticism is levelled at European airlines. It is acknowledged that in the US, where domestic airlines are free to choose routes and set fares as they wish in the deregulated market of the past eight years, competitive pressures have sharpened airline marketing in a violently disturbed market.

In sharp contrast, says the report by Grey Advertising in association with Rex Van Rossum, European airlines still harbour anti-marketing and anti-competitive attitudes.

There are constraints in Europe. Bilateral treaties between Governments exist to operate agreed numbers of aircraft at agreed fares on agreed routes. There are exceptions, as between the UK and the Netherlands, but generally the terms of operation are so set in concrete that there is almost no prospect of innovative schemes to differentiate one airline from another.

The hope of the authors of the report is that marketing will be able to flourish when European air travel is deregulated. In its attack on the current state of airline marketing, the study criticises airlines for still being operations-led. This approach "seeks to make efficient what you have already got," the authors say. In contrast, a marketing approach seeks to make profitable sales by attracting more customers with better products.

The authors accuse the airline industry of being "somewhat incontinent and inward looking, comparing itself only with itself and not with other industries." Marketing is seen by some airlines as important, but it does not come close enough



to the centre of forward planning. Instead, marketing "comes in late and is required to sell what the factory (the airline) makes." (airline journeys).

Some of the best known names in European aviation, such as British Caledonian Airways, are identified as being guilty of anti-marketing attitudes while proclaiming to be innovative. The BCal/Sabena route sharing arrangement on the route between Brussels, Gatwick and Atlanta, US, is criticised. The flights are by a Sabena jumbo jet, using a Sabena crew with some BCal cabin crew. The arrangement is already under pressure from a competitor, British Airways, which has sought to take the route from BCal.

The sharing arrangement is a hybrid, "thrown together as the logical solution to operational problems arising out of dilemmas over airline prices, capacity and load factors." The mathematics make sense, but "it is a marketing nonsense."

In the US, deregulation brought a flood of innovative ideas as airlines fought to stay in business in the face of free competition. Out of the price wars arose the US "frequent flyer" programme, a brand-loyalty device adapted from the experience of the package goods promoters to

fit the needs of airlines. The low-cost, no-frills US airline Southwest, offered its frequent flyers a "12 pack" scheme. This was a direct lift from the US canned drinks industry, where the concept of a 12 pack was familiar to all home drinkers. Southwest offered its passengers a twelfth ticket free with every 11 tickets purchased.

The authors claim several parallels between airlines and grocery supermarkets. They are characterised by product and advertising "sameness," by price wars; operations-led management; fierce competition for market share and high turnover on very low profit margins. Airlines currently have a "standard product" that is non-changing and common across all airlines, in the same way the early grocery supermarket chains sold common branded products.

Some airlines have started to promote their "same" products with some of the techniques of packaged goods marketing. "It is inevitable that more will come," the report argues.

In support of their beliefs the authors even go so far as to suggest that a strongly marketing oriented company, such as Philip Morris or R. J. Reynolds, could acquire a major airline. "Then we might see some branded marketing happening

sooner than anyone expects."

Grocery supermarkets faced a form of deregulation in the 1970s, with the abolition of resale price maintenance. Prices to the consumer dropped rapidly; competition increased and oligopolies emerged. Deregulation in the US domestic airline industry created an oligopoly, as was widely forecast by critics of deregulation. Now airlines in Europe face the prospect of deregulation and a price war.

The supermarket chains fought each other with the "operational" aspects of their business: the number, location and size of stores, but in their early days failed to exploit their potential, says the report.

The supermarkets shifted from doing all the basic things "rather badly" to doing them supremely well. "They are now in line with and somewhat ahead of consumer needs," the authors of the review say, "and they have done it by some very skilful marketing." In the process, they have moved away from an operations-led approach to a marketing-led approach.

The report draws a direct comparison between grocery supermarkets in 1980, the current state of the do-it-yourself superstore and the current state of airline marketing. Their commonality lies in their "pre-occupation with distribution and price."

In seeking the right solutions, the airlines will have to do the basic things supremely well. Then they have to seek distinctiveness and competitive advantage through product innovation, thereby putting pricing back into a proper perspective of value and restoring profit margins to a more acceptable level.

In the first days of the grocery supermarkets they were locked into a vicious circle which seemed as intractable as that of the airlines today, the authors say; but a route was found, based on the needs of the consumer and the nature of the products, spurred by fierce competition. "It was a route derived from the need for competitive advantage."

"Buffeted by turbulence... a review of marketing in the airline industry." Available from Jonathan Davies, Grey Advertising, 215-227 Great Portland Street, London W1N 5HD, £250 + VAT.

Marketing abstracts

Low-cost product use testing. B. J. Kramer in The Journal of Consumer Marketing (US), Summer 86 (8 pages).

The manager in charge of product testing at Gillette describes the approach the company adopts for new product development, centred around four concepts: human use evaluation, R and D guidance, creating early marketing strategy, and keeping costs down. Points to five areas of concern in setting up a product evaluation test—design (in-house and consumer); objectives; eg product improvement; conduct of test—for instance, in-house testers should be far removed from the R and D department; expense; and risk analysis, ie is it worth doing? An expert approach to sales promotion management. J. W. Keon and J. Bayer in Journal of Advertising Research (US), June-July 86 (8 pages).

Points out that little information exists on sales promotion tactics and strategies. Given this absence, presents an expert approach to consensus of views from sales promotion experts, to particular questions where different objectives are concerned; offers strategic and tactical implications, eg "for a major brand, long-term profitability is best served by low-value promotion."

Sales for management. J. Fenton in Accountancy (UK), September 86 (2 pages). Gives some advice for sale force management; advocates personal development and incentive programmes to retain and encourage the present sales force; advises on monitoring and improving performance. Outlines the "judge factor"—the result of management not insisting on the sales force working to a similar disciplined system expected of other departments.

International marketing. H. B. Kuzel in Absatz (Fed Rep of Germany), August 1986 (4 pages). In German, English version available. In the shape of an interview with the general manager of the Italian subsidiary, provides a glimpse of Beiersdorf, the German international group making creams (best-known is Nivea) and bandages, and looks at the group's approach to international marketing.

These abstracts are condensed from the abstracting journals published by Amber Management Publications. Licensed copies of the original articles may be obtained at a cost of £4 each (including VAT and postage) from Amber, PO Box 23, Wembley HA9 8DU.

TV commercials rates

Why rampant inflation will alienate leading advertisers

BY FEONA MCEWAN

"THE BRITISH advertiser is facing a problem of critical proportions. A problem which deserves the single-minded focus of everyone in the industry."

This view expressed last week by Dick Johnson, marketing services director of Procter and Gamble, reflects a growing concern among advertisers on British television.

The issue is the rampant inflation of airtime costs. In the first half of the 1980s they have risen 68 per cent, outstripping the retail price index by 55 percentage points. The advertising industry is estimating a further rise this year of at least 21 per cent.

According to Johnson, "high airtime costs are a millstone around the neck of British industry"—which is a problem the West Germans and Japanese do not have to contend with. He was speaking to top UK advertisers at a conference in London organised by the Incorporated Society of British Advertisers (ISBA).

In the forefront of delegates' minds was the fact that major packaged goods advertisers, traditionally the stalwarts of the medium, are contemplating reducing their television budgets and taking their business elsewhere, among them Birds Eye Walls and Woolworth. The fear among advertisers and the television companies is that more could follow.

So what if that happened, it might be asked. When some advertisers fall out, others soon jump in. Since television is the most potent of advertising media, it will always have its takers, goes the argument. Certainly all the evidence to date points this way. Surely this leaves the ITV companies with little to worry about?

Not so, warns Johnson, who speaks as an ISBA official as well as on behalf of a company which helped pioneer television advertising. Long term, he claims, the disillusionment setting in among historically loyal advertisers could backfire on the ITV companies. "Because the cost of mounting an effective national campaign has escalated out of all proportion to

what advertisers are used to, many are considering pulling out of the smaller TV regions. Some major advertisers are questioning the efficiency of the medium altogether and transferring funds to other—and, to many, much less attractive—options.

The consumer stands to lose too, says Johnson, since excessive advertising costs divert money from product development and improvement. It also makes a company more vulnerable to the growth of private labels which lessens consumer choice, he maintains. Shorter advertising breaks (10 and 20 second ads are increasing) are depressing the quality of advertising breaks on television and this reduces viewer appeal.

Locked in

The advertisers' beef is not, however, with the television contractors but with the system they are locked into—whereby a fixed supply of commercial airtime cannot cater for a rapidly increasing demand. As a result, airtime is sold to the highest bidder, which can mean enormous differences in price. At Thames Television, for example, the lowest price for a 30-second peak time slot can be £500—while the highest can be 70 times greater at £35,000.

What then is the solution? Johnson proposes three moves to stabilise prices in the short-term: an additional one minute's advertising an hour through the day (making it average seven minutes and no more than eight in any one hour) and this taken not necessarily from programming but from programme trailers and links; a faster move towards extra transmission hours; and a recognition from a "highly complacent" ITV to make its programming more innovative as the BBC has done.

Chris Ingram, managing director of Chris Ingram Associates, a specialist media buying company, urged the need for more airtime by showing how the current position was undermining the television advertisers' value for money. He referred any notion that

the expansion of commercial airtime with the arrival of Channel 4 and TVam had delivered a commensurate rise in audience levels. Put another way, television advertising revenue has risen 95 per cent in the last five years, he said, but audience levels are up by only 17 per cent.

The conference heard earlier that average hours viewed per day had fallen some 5 per cent in the past three years. Which ever way you look at it, the advertiser appears to be getting less advantage for more money. The potential of direct broadcasting by satellite (DBS) was regarded as still too remote a reality to influence the debate substantially.

Ingrams also attempted to show that there was no shortage of advertisers, both old and new, lining up to use television (another argument of the status quo school). He cited a list of first time users due on screen next year (an eclectic gathering of funeral directors, a food company, mail order company, retailer, sports manufacturer) as well as a batch of existing users coming back for more. Both lists were taken from clients of the Association of Media Independents only.

David Lamb, UK marketing manager of Rowntree Mackintosh and former chairman of ISBA's radio, television and screen advertising committee, argued that to counter the widening gap between the licence fee income of the BBC and the commercial income of ITV, there should be limited advertising on the BBC or privatisation of some of its broadcasting hours. This would be a greater guarantee for the BBC than any amount of the pay-as-you-view alternative proposed by Peacock.

John Perries, worldwide media director of Saatchi & Saatchi, the advertising group, underlined the yawning financial gap between the two broadcasting systems, estimating that by the year 1992, under the BBC's present licence fee system (accounting for a £7 rise and for 6 per cent annual inflation) that the gap could top £1.25bn.

DO TV COSTS WORRY YOU?

"With the rising cost of TV airtime, the need for careful TV planning and buying has become increasingly important and we believe that the appointment of TMD, concentrating on TV, will ensure that we optimise our effectiveness in this medium"

Peter Church
ADVERTISING MANAGER
ABBEYNATIONAL

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If you want to find out how TMD can help you reduce your TV costs give David Reich a call at the above number.

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WORLD BANKING
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LONDON 9, 10 & 11 December 1986

This important annual conference covers developments affecting investment bankers, general bankers and managers responsible for implementing change in every kind of financial institution.

Mr Hervé de Carmoy of the Midland Bank, Mr James Larkin of American Express and Mr Brian Quinn of the Bank of England will contribute to the Management of Change day on December 9. Booz-Allen will also feature. Mr Stanislas Yassukovich of Merrill Lynch will chair and give the keynote address at the Investment Banking day on December 10.

Mr Sam Cross of the New York Federal Reserve Bank and Mr Elaine Tomlinson of Nomura International are among the other speakers.

Commercial Banking features on December 11 and Mr Bill Rhodes of Citibank, Sir Campbell Adamson of Abbey National, Mr Norman Robertson of Mellon Bank and Mr James McDermott of Keefe, Bruyette & Woods are among the speakers. Delegates may enrol for the whole of the conference or select from among its constituent days.

THE TWELFTH WORLD BANKING CONFERENCE

To: The Financial Times Conference Organisation
Minster House, Arnhem Street, London EC4R 9AX
Tel: 01-621 1355 Telex: 27347 FTCONF G Fax: 01-623 8814

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Position _____

Company _____

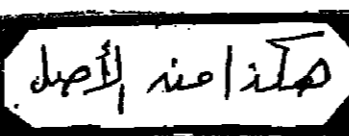
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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts under the 'AUTHORISED UNIT TRUSTS' section, including names like Abbey Unit Trust, Allied Investor Unit Trusts, and others.

Table listing unit trusts under the 'BRIDGE FUND MANAGERS (A/C)' section, including names like Bridge Fund Managers, Brown Shipley & Co, and others.

Table listing unit trusts under the 'Fidelity Investment Services Ltd' section, including names like Fidelity Investment Services, Fidelity Funds, and others.

Table listing unit trusts under the 'Key Fund Managers Ltd' section, including names like Key Fund Managers, Key Funds, and others.

Table listing unit trusts under the 'National Bank Group Unit Trusts' section, including names like National Bank Group Unit Trusts, National Bank Funds, and others.

Standard Chartered advertisement featuring the Standard Chartered PLC logo and text: 'US\$400,000,000 Undated Primary Capital Floating Rate Notes (Series 3)'.

Table listing unit trusts under the 'Lazard Brothers & Co Ltd' section, including names like Lazard Brothers & Co, Lazard Funds, and others.

Table listing unit trusts under the 'M&G Group (UK) Ltd' section, including names like M&G Group, M&G Funds, and others.

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

FT CROSSWORD PUZZLE NO. 6,194

Crossword puzzle grid with numbers 1-31 and a 'VIXEN' clue.

- 1 Having a definite leaning (6)
2 Puffot getting nice desk renovated (6)
3 Cover for the brave with dependents (6)
4 Make notes about the wine being a good sort (8)
5 Put right, and subsequently bean (6)
6 Swift supporters (8)
7 Pistat group (6)
8 Opt for a penthouse? (4-2)
9 Get a top player to accept a dog (7)
10 A desperado in the main (6)
11 Over a quarter are single (6)
12 Lacking capital (8)
13 A cruel man in general has a distasteful effect (6)
14 Altering components as necessary (8)
15 Air filter (6)
16 There's a steady drift at the end of the day (8)
17 A blow with no great force behind it (6)
18 Deal with food in the abstract (6)
19 Nuts are maybe put in containers not designed for them (3-4)
20 Some churchgoers may find it over-brief (8)
21 Drive both ways (8)
22 Silly ass-tried making trouble (6)
23 Repartee is good only in one's youth (8)
24 A few words in condemnation of the delinquent (8)
25 Preference of honoured companion - nothing with ice (6)
26 Next beasts (6)
27 Steps taken to scrap about fifty (6)
28 A man, quite elderly was improperly held (6)

Solution to Puzzle No. 6,193

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

- 1 Bringing up the rear nevertheless (6, 3)
2 Appear on the level, but misrepresents certain property (4, 4)
3 Donations the public leader doesn't like (8)
4 Give one thousand, not all (6)
5 Soldier entering take break for unarmed combat (6)
6 Edward's got internal trouble fixed (6)

Table listing unit trusts under the 'National Provident Unit Trusts' section, including names like National Provident Unit Trusts, National Provident Funds, and others.

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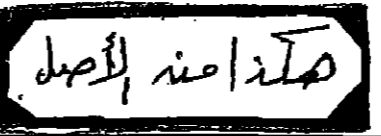
INSURANCES

Table listing various insurance companies and their details, including names like AA Friendly Society, Abbey Life Assurance Co, and others.

AUTHORISED UNIT TRUST & INSURANCES

Main table listing various insurance and unit trust products, including American Life Insurance Co UK, British National Life Assurance Co Ltd, and others, with columns for company name, address, and financial details.

Handwritten signature or mark at the bottom right of the page.



INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, company, and performance metrics.

Table listing money funds with columns for fund name, company, and performance metrics.

Table listing additional money funds with columns for fund name, company, and performance metrics.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds with columns for fund name, company, and performance metrics.

MANAGEMENT SERVICES

Table listing management services with columns for company name, address, and contact information.

MONEY MARKET BANK ACCOUNTS

Table listing money market bank accounts with columns for bank name, account type, and interest rates.

MANAGEMENT SERVICES

Table listing management services with columns for company name, address, and contact information.

MANAGEMENT SERVICES

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MANAGEMENT SERVICES

Table listing management services with columns for company name, address, and contact information.

Notes and additional information regarding the fund listings and market conditions.

Additional notes and information regarding the fund listings and market conditions.

FOREIGN EXCHANGES

Dollar ends near day's lows

THE DOLLAR closed around its lowest levels, but little changed on the day in quiet foreign exchange trading. Quotations were unchanged...

maintain a firm exchange rate. The Bundesbank did not intervene when the dollar was fixed at DM 1.9740...

rise of 3.4 per cent in October. The Bundesbank did not intervene when the dollar was fixed at DM 1.9740...

FINANCIAL FUTURES

US bonds stay firmer

US TREASURY bonds continued to improve in the London International Financial Futures Exchange yesterday. The March contract opened at 100.45 up from 99.02 on Tuesday...

Tomorrow's US unemployment figures are seen as the next important guide through the proximity of the weekend and the year end...

for appeared to run out of steam as the day wore on. Sterling's firmer opening pushed the March contract to 108.18 from an opening level of 108.11...

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., and Price. Lists various options contracts and their trading volumes.

On Bank of England figures the dollar's index rose to 100.8 from 100.7 on Wednesday...

STERLING trading range against the dollar in 1986 is 1.5886 to 1.4776. November average 1.4229. Exchange rate index 1985 97.1 to 97.9...

EMU EUROPEAN CURRENCY UNIT RATES. Table showing exchange rates for various European currencies against the ECU.

PHILIPPINE PSE-25 OPTIONS. Table showing option prices for the Philippine Stock Exchange.

LIFFE FT-30 INDEX-FUTURES-OPTIONS. Table showing futures and options prices for the FT-30 index.

LIFFE EURO-DOLLAR-FUTURES-OPTIONS. Table showing futures and options prices for the Euro-Dollar.

BASE LENDING RATES

Table listing base lending rates for various banks and currencies, including US, UK, and European rates.

£ IN NEW YORK

Table showing the exchange rate of the British pound in New York, including spot and forward rates.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing spot and forward rates for the pound against itself, including various time periods.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing spot and forward rates for the dollar against itself, including various time periods.

CHICAGO

Table showing market data for Chicago, including futures and options prices.

LONDON

Table showing market data for London, including futures and options prices.

LIFFE

Table showing market data for the LIFFE exchange, including futures and options prices.

CURRENCY RATES

Table showing various currency rates, including US Dollar, Sterling, and other international currencies.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for Euro-currency deposits and loans, including various maturities.

CURRENCY MOVEMENTS

Table showing movements in various currencies, including percentage changes and trends.

CURRENCY FUTURES

Table showing futures prices for various currencies, including gold, silver, and other metals.

OTHER CURRENCIES

Table showing exchange rates for other major currencies, including the Japanese Yen, Swiss Franc, and others.

EXCHANGE CROSS RATES

Table showing cross-rates between various currencies, such as Dollar vs Yen, Dollar vs Swiss Franc, etc.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for various currencies in the FT London market.

NEW YORK

Table showing market data for New York, including interest rates and currency movements.

LONDON MONEY RATES

Table showing money market rates in London, including overnight, short-term, and long-term rates.

THE WELLCOME FOUNDATION LIMITED

Advertisement for The Wellcome Foundation Limited, offering floating rate capital notes.

Large advertisement for 'Why Shift Back and Forth Among Paper Investments, When You Can Secure Your Assets in Solid Gold?' featuring GOLD and KREDIETBANK.

MONEY MARKETS

UK rates show little change in quiet trade

INTEREST RATES were little changed in London yesterday in quiet and featureless trading. Sterling finished the day on a slightly firmer note...

The Bank of England forecast a shortage of around £200m with factors affecting the market including maturing assistance and a take-up of Treasury bills...

Further help was given in the morning of £22m through outright purchases of £27m of eligible bank bills in band 1 at 10 1/4 per cent...

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for various currencies in the FT London market.

NEW YORK

Table showing market data for New York, including interest rates and currency movements.

LONDON MONEY RATES

Table showing money market rates in London, including overnight, short-term, and long-term rates.

CLUBS

Advertisement for CLUBS, offering various services and products.

UK clearing bank base lending rate 11 1/2 per cent

cent being slipping away to 10 1/2 per cent. The lower cost contrasted with an apparent underpinning by the authorities on the published forecast. Applications for British gas were being treated to create some degree of uncertainty and next Monday could see the market facing an exceptional shortage...

FRANKFURT CALL MONEY

FRANKFURT call money was nudged at 4 1/2 per cent on Tuesday. Commercial banks received their allocations from the Bundesbank's sale and repurchase tender. A net £400m was injected through the 35-day facility with the DM 1500m allocated outweighing two maturing agreements of DM 100m.

TRADING BILLS

Trading bills fell: one-month 10 1/4 per cent; three-months 10 1/2 per cent; Bank Bills (total): one-month 10 1/4 per cent; three-months 10 1/2 per cent. Treasury bills: one-month 10 1/4 per cent; three-months 10 1/2 per cent.

LIFFE

Table showing market data for the LIFFE exchange, including futures and options prices.

WELLCOME FOUNDATION LIMITED

Advertisement for WELLCOME FOUNDATION LIMITED, offering floating rate capital notes.

FUTURES

Expanding futures and options commission house requires SALES/MARKETING PERSONNEL with private client experience.

BEAT DJI BY 350%

\$1 million has grown to over \$33 million with Income & Profits Reinvestment 1975-1986 after commissions without leverage or market timing. Advice on Undervalued Growth Stocks Minimum portfolio \$50,000.

BRITISH FUNDS

High	Low	Stock	Price	Yield %	YTD %
100	95	"Herts" (Lives up to Five Years)	105.00	5.10	12.50
100	95	"Herts" (Lives up to Five Years)	105.00	5.10	12.50

AMERICANS—Cont.

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

CANADIANS

High	Low	Stock	Price	Yield %	YTD %
100	95	Windsor Energy	105.00	5.10	12.50
100	95	Windsor Energy	105.00	5.10	12.50

BANKS, HP & LEASING

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

CORPORATION LOANS

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

COMMONWEALTH & AFRICAN ISSUES

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

LOANS

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

BEERS, WINES & SPIRITS

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

FOREIGN BONDS & RAILS

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

AMERICANS

High	Low	Stock	Price	Yield %	YTD %
100	95	Bank of Montreal	105.00	5.10	12.50
100	95	Bank of Montreal	105.00	5.10	12.50

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS—Cont.

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

DRAPERY & STORES—Cont.

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

ELECTRICALS

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

CHEMICALS, PLASTICS

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

DRAPERY AND STORES

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

HOURLY AND CATERERS

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

INDUSTRIALS (Misc.)

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

ENGINEERING—Continued

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

INDUSTRIALS—Continued

High	Low	Stock	Price	Yield %	YTD %
100	95	Chenille New York	105.00	5.10	12.50
100	95	Chenille New York	105.00	5.10	12.50

John 120

INDUSTRIALS - Continued

Stock	Price
Airbus Ind	1000.00
Alcoa	85.00
Armco	75.00
Bombardier	110.00
Boeing	120.00
Bombardier	110.00
Boeing	120.00
Bombardier	110.00
Boeing	120.00

PROPERTY - Continued

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

INVESTMENT TRUSTS - Cont.

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

FINANCE, LAND - Cont.

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Central African

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Finance

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Oil and Gas

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

MOTORS, AIRCRAFT TRADES

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Commercial Vehicles

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Garages and Distributors

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

NEWSPAPERS, PUBLISHERS

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

PAPER, PRINTING, ADVERTISING

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

SHOES AND LEATHER

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

SOUTH AFRICANS

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

TEXTILES

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

INSURANCES

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

PROPERTY

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

LEISURE

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

SHIPPING

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

TOBACCO

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

TRUSTS, FINANCE, LAND

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

INVESTMENT TRUSTS

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

FINANCE, LAND, etc

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

PROPERTY

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

LEISURE

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Plantations

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

MINES

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Central African

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Far West Rand

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Miscellaneous

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Notes

Notes

Regional and Irish Stocks

Stock	Price
Amgen	120.00
Amgen	120.00
Amgen	120.00
Amgen	120.00

Recent Issues and Rights

Recent Issues and Rights

This paper is available to every country, as it is in the Stock Exchange...

LONDON STOCK EXCHANGE

Equities hit by nervous selling and Government bonds turn back after early strength

Account Dealing Dates: *First Declared Last Account Dealings (ions Dealings) Day Nov 24 Dec 4 Dec 15 Dec 8 Dec 18 Jan 5 Jan 19

gains but still ended a very nervous session 15 Dec at 8520, a far cry from the 900p level at which the shares were floated earlier this year. Willis Faber dropped 10 to 445p in sympathy. Other Merchan...

FINANCIAL TIMES STOCK INDICES: Table with columns for Dec 3, Dec 2, Dec 1, Nov 28, Nov 27, Year ago, 1986, and 1985. Rows include Government Secs, Fixed Interest, Ordinary Divs, Gold Mines, Ord. Div. Yield, Earnings Yld. (%), P/E Ratio (ind), SEAG Dividends (p), Equity Turnover (m), Equity Yield, Shares Traded (mil).

341p and MEPC softened a penny to 352p. British Land, a recent takeover favourite, gave up 5p at 186 1/2p and Great Portland Estates slipped 2 to 189p. Against the trend, Greggs attracted support...

Despite initial firmness in both sterling and Government bonds equities fell sharply, with shares of Morgan Grenfell losing nearly 10 per cent until a firm denial from the bank of rumours of boardroom resignations helped the market to steady.

Goldsmiths gave up 4 at 248p on profit-taking, but Stead and Simpson "A" revived with a gain of 8p. Among Shoe concerns, Pirelli...

make money and put on 15 further to 589p. Centway, reflecting the sale of a subsidiary to Birmingham Mint for £4.25m, advanced 7 to 25p. British Airways...

Smallier-published investment Trust rose to 625p following the good annual results. A broker's recommendation prompted interest in Lysons, 8 up at 331p.

Gold lower again: An erratic performance by precious metals prices and the dollar/sterling rate led to a difficult day in London's mining markets.

Traded Options: A brisk turnover in Traded Options included a particularly heavy trade in Hanson Trust ahead of today's preliminary figures.

But Saatchi & Saatchi and Hanson Trust, awaiting results, gave ground in a generally nervous market. Dealings in both P & O and European Ferries were suspended at the opening as both boards met and a statement was promised this morning on the possible takeover situation.

Racal up again: Racal continued firmly at 163p, up on a turnover of well over 8m shares, but other Electrical majors were dragged lower by the surrounding gloom.

Hanson actively traded: Hanson Trust, awaiting today's preliminary figures, were actively traded (12m shares) and finally settled 2 1/2 cheaper at 190 1/2p. In contrast, BOC continued to reflect satisfaction with the annual results...

Oils easier: Another firm showing by oil prices at the outset of trading led to an improvement in the leading oils during early business hours. However, the subsequent weakness in equities coupled with lack of interest saw the top quality issues drift back to close with minor losses on balance.

NEW HIGHS AND LOWS FOR 1986: TABLE WITH COLUMNS FOR HIGHS AND LOWS FOR 1986. ROWS INCLUDE AMERICANS (2), BANKS (2), BUILDINGS (2), CHEMICALS (2), STORES (2), HOTELS (2), INDUSTRIALS (2), INSURANCE (2), LEISURE (2), MOTORS (2), NEWSPAPERS (2), PAPER (2), PROPERTY (2), SERVICES (2), TRUSTS (2), OVERSEAS TRADERS (2), MINES (2).

Traditional Options: Call options were taken out in Amstar, Peck Holdings, Selex TV, Lonrho, GEC, Caden, Guinness, Cannon Street Investments, Skyline and Woolworth. Turner and Newall were dealt in for the put, while double options were arranged in Sears and Amstar.

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS: Table with columns for Index, Day's Change, % Change, Vol. (ACT), and Year ago. Rows include CAPITAL GOODS (211), BUILDING MATERIALS (27), ELECTRICALS (12), METALS (58), MOTOR VEHICLES (61), OTHER INDUSTRIAL MATERIALS (27), FOODS (22), DRUGS (25), TOBACCO (2), OTHER GROUPS (84), INDUSTRIAL GROUP (483), FINANCIAL GROUP (138), INSURANCE (40), PROPERTY (17), OVERSEAS TRADERS (13), ALL-SHARE INDEX (731), FT-SE 100 SHARE INDEX.

FIXED INTEREST

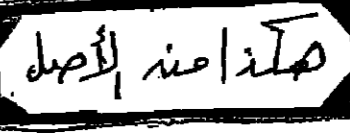
AVERAGE GROSS REDEMPTION YIELDS: Table with columns for Index, Day's Change, % Change, Vol. (ACT), and Year ago. Rows include BRITISH GOVERNMENT, FOREIGN GOVERNMENT, CORPORATE BONDS, AND OTHERS.

LONDON TRADED OPTIONS

LONDON TRADED OPTIONS: Table with columns for CALLS and PUTS, and columns for Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Rows include Allied Lyons, B.P., Com. Gold, Courtauld, Com. Inds., Cable & Wire, G.E.C., Grand Met., I.C.I., Lead Securities, Marks & Sp., Shell, Transocean, Biff Arn, BAT Inds., Barclays, Brit. Telecom, Cadbury Schweppes, Guinness, Lend Lease, Lloyds, Lloyds Bank, Lloyds Insurance, Lloyds TSB, Lloyds Trust, Lloyds Bank, Lloyds Insurance, Lloyds TSB, Lloyds Trust, Lloyds Bank, Lloyds Insurance, Lloyds TSB, Lloyds Trust.

Opening Index 1627.2; 10 am 1621.4; 11 am 1622.2; Noon 1621.4; 1 pm 1613.3; 2 pm 1613.3; 3 pm 1613.3; 4 pm 1614.5

WORLD STOCK MARKETS



AUSTRIA market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Creditanstalt, Gessner, etc.

GERMANY market data table with columns for Dec. 3, Price, +/-, and various stock symbols like AEG, BASF, Bayer, etc.

NORWAY market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Bergens Bank, Hordaland, etc.

AUSTRALIA (continued) market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Gardiner & Theobald, etc.

JAPAN (continued) market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Dai-ichi Kangyo Bank, etc.

CANADA

TORONTO Closing prices December 3 market data table with columns for Stock, High, Low, Close, Change, and various stock symbols.

NEW YORK Dow Jones Indices market data table with columns for Dec 3, Dec 2, Dec 1, Nov 27, Nov 20, 1985/86, and various indices.

INDICES market data table with columns for Dec 3, Dec 2, Dec 1, Nov 27, Nov 20, 1985/86, and various international indices.

MONTREAL Closing prices December 3 market data table with columns for Stock, High, Low, Close, Change, and various stock symbols.

SWITZERLAND market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Adia, Alpi, etc.

NETHERLAND market data table with columns for Dec. 3, Price, +/-, and various stock symbols like ACF Holding, AEGON, etc.

FRANCE market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Air France, Bouygues, etc.

SPAIN market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Banco Bilbao, Banco Central, etc.

HONG KONG market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Bank East Asia, etc.

SINGAPORE market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Boustead Hedge, etc.

SOUTH AFRICA market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Anglo American, etc.

NYSE Consolidated 1500 Actives market data table with columns for Stock, Price, Change, and various stock symbols.

TORONTO market data table with columns for Dec 3, Dec 2, Dec 1, Nov 27, Nov 20, 1986, and various stock symbols.

SWEDEN market data table with columns for Dec. 3, Price, +/-, and various stock symbols like ABB, Alfa Laval, etc.

SWITZERLAND market data table with columns for Dec. 3, Price, +/-, and various stock symbols like ABB, Alfa Laval, etc.

FINLAND market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Amer, Helsingfors, etc.

ITALY market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Banco Comita, etc.

GERMANY market data table with columns for Dec. 3, Price, +/-, and various stock symbols like AEG, BASF, Bayer, etc.

AUSTRALIA market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Allco, Allco, etc.

JAPAN market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Dai-ichi Kangyo Bank, etc.

SINGAPORE market data table with columns for Dec. 3, Price, +/-, and various stock symbols like Boustead Hedge, etc.

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SWITZERLAND market data table with columns for Dec. 3, Price, +/-, and various stock symbols like ABB, Alfa Laval, etc.

OVER-THE-COUNTER Nasdaq national market, closing prices

Large table of over-the-counter market data with columns for Stock, Sales, High, Low, Last, Chg, and various stock symbols.

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Advertisement for 'FINANCIAL TIMES Special Subscription Hand Delivery Service' with contact information for the London office.

Advertisement for 'RAND MINES' with details about dividend declarations and company information.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock name, price, and change. Includes sub-sections like 'D D D' and 'F F F'.

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NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices, organized into columns for various stock categories and including a 'Continued from Page 42' header.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices, organized into columns for various stock categories.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter Nasdaq national market closing prices, organized into columns for various stock categories.

